

Kingdom of Bahrain



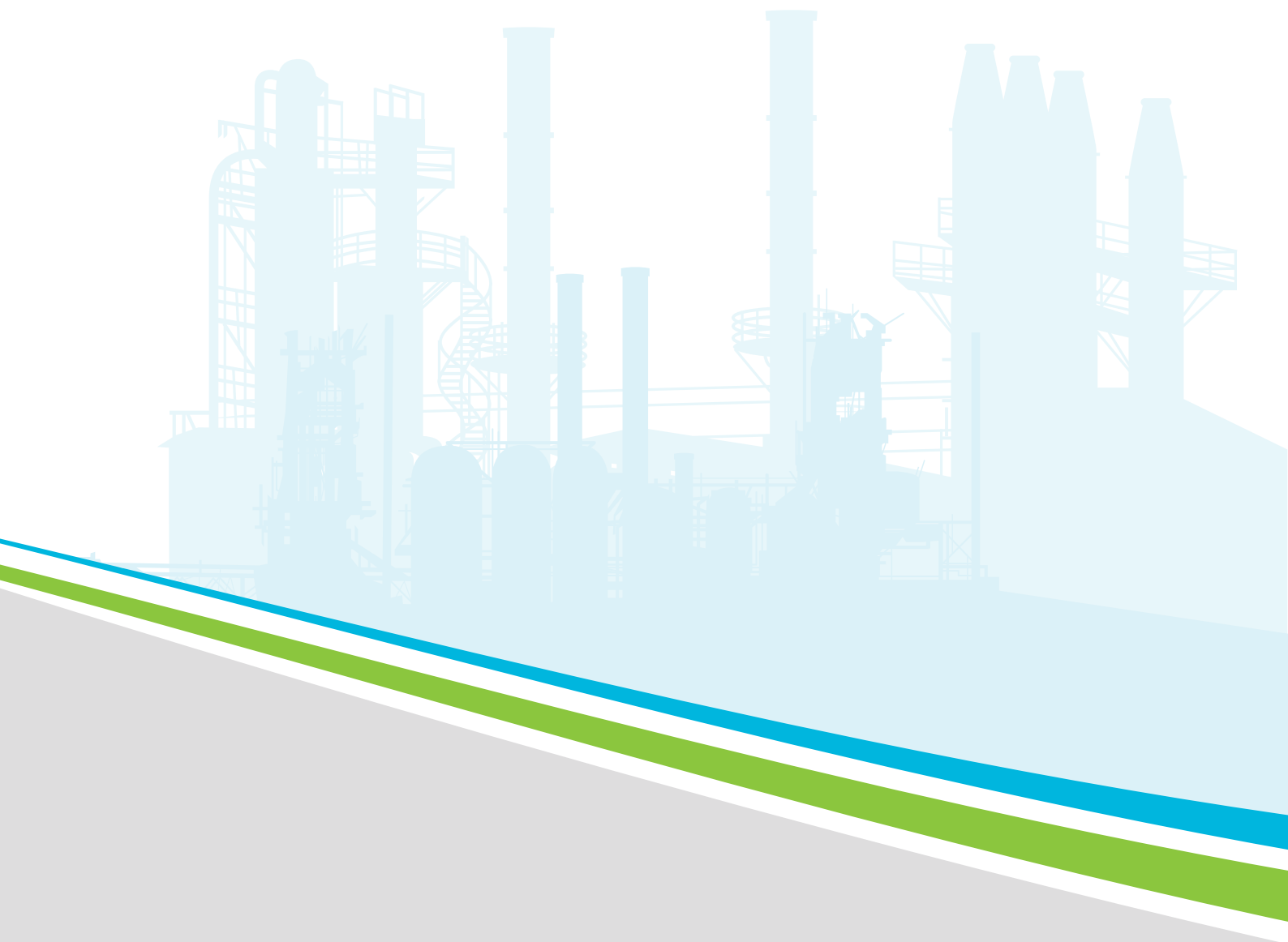
الهيئة الوطنية للنفط والغاز
NATIONAL OIL & GAS AUTHORITY



2030
البحرين
BAHRAIN

National Oil & Gas Authority

ANNUAL
REPORT
2014



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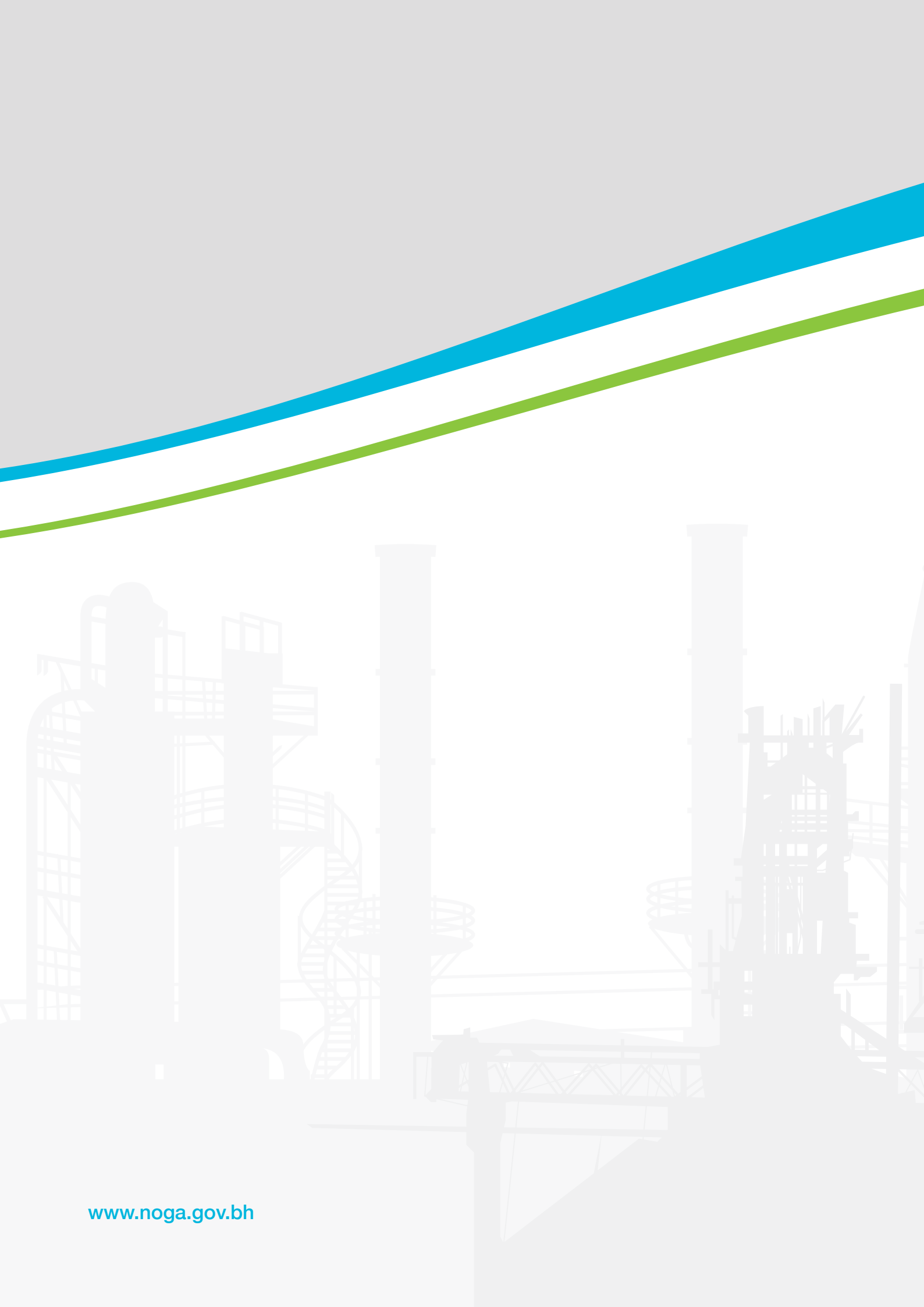
**His Royal Highness
Prince Khalifa bin Salman Al Khalifa**
The Prime Minister



**His Majesty
King Hamad bin Isa Al Khalifa**
The King of The Kingdom of Bahrain



**His Royal Highness
Prince Salman bin Hamad Al Khalifa**
The Crown Prince, Deputy Supreme
Commander and First Deputy Prime Minister





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Foreword



**Dr. Abdul Hussain bin
Ali Mirza**
Minister of Energy

I am pleased to present the 10th Annual Report following the issuance of Royal Decree No. (63) for 2005 for the establishment of National Oil and Gas Authority (NOGA), as the competent authority in all matters relating to oil and gas in the Kingdom of Bahrain. This publication coincides with the Royal Decree No. (83) for 2014 issued on December 6, 2014, which had in the new ministerial line-up my appointment as the Minister of Energy. I would like to commit emphatically to continue to lead and strive in fulfilling the larger responsibilities entrusted upon me by the leadership and perform this major task in the best of my abilities. I look forward to further cooperation and coordination with the government and other supervisory organizations to achieve our country's development goals and strengthening the oil and gas sector in line with the great development process in our Kingdom.

I take this opportunity to extend my sincere appreciation and gratitude to the wise leadership for my appointment as Minister of Energy in the new cabinet, for the attention given to the oil and gas sector and for the endless support provided for the overall development and advancement of the energy sector in Bahrain. I also extend my gratitude to Minister of Finance His Excellency Shaikh Ahmed bin Mohammed Al Khalifa, for his earnest work under his charge for the development of the oil and gas sector in our country.

The 2014 annual report is a record of oil statistics, oil and gas projects, field visits to oil sector companies; reports on international cooperation, conferences, exhibitions and local events organized or co-organized by NOGA; legislation and ministerial orders, as well as expansion programs and administrative updates in the development of the oil and gas sector in Bahrain.

The 2014 order passed by the great leadership His Royal Highness Prime Minister Prince Khalifa bin Salman Al Khalifa to relocate the aviation fuel depots from Arad to Bahrain International Airport taking care not to affect flight schedules can be termed an significant part of the major restructuring of the infrastructure of the Bahrain International Airport Services. The year 2014 also saw the opening of a solar energy project, as part of the national initiatives to generate clean energy, in addition to the inauguration of the CS9 Gas Compression Station at the NOGA subsidiary, Bahrain National Gas Company (Banagas), which was a qualitative addition to the production capacity of the plant. The company also opened a central control room equipped with the latest technology.

The achievements during the year supported the leadership's enduring interest in this vital sector, which is a top contributor to national economy. The steady and focussed efforts of NOGA officials, staff members and all employees are leading the oil and gas sector of Bahrain to playing a tangible role, adding to its historical achievements.

I wish every success to everyone working in the oil and gas sector and urge you to put in more determination and dedication to achieve the ambitious goals and objectives of our Kingdom under the wise leadership of this great country.

Oil & Gas Organizational Structure

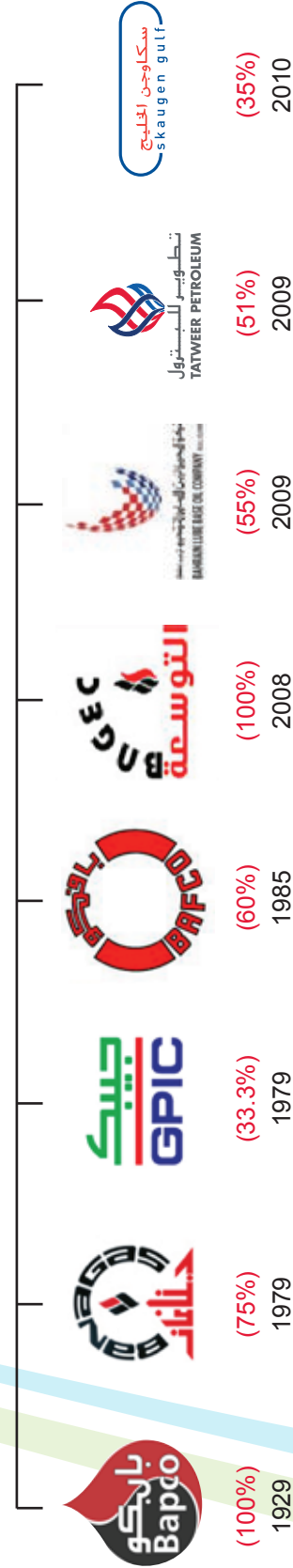
Fuelling Economic Growth



الهيئة الوطنية للنفط والغاز
NATIONAL OIL & GAS AUTHORITY



الشركة القابضة للنفط والغاز
nogaholding



Board of Directors



H.E. Dr. Abdul Hussain bin Ali Mirza
Chairman



H.E. Mr. Basim bin Yacob Al-Hammer
Member



H.E. Mr. Rasheed Mohammed Al-Me'araj
Memeber



H.E. Shaikh Mohammed bin Khalifa bin Ahmed Al Khalifa
Member



H.E. Dr. Mustafa Ali Mohammed Al Sayed
Member



H.E. Dr. Abdul Rahman Abdul Hussain Jawahari
Member



H.E. Mr. Yousif Abdul Hussain Khalaf
Member

First:

Oil and Gas Statistics

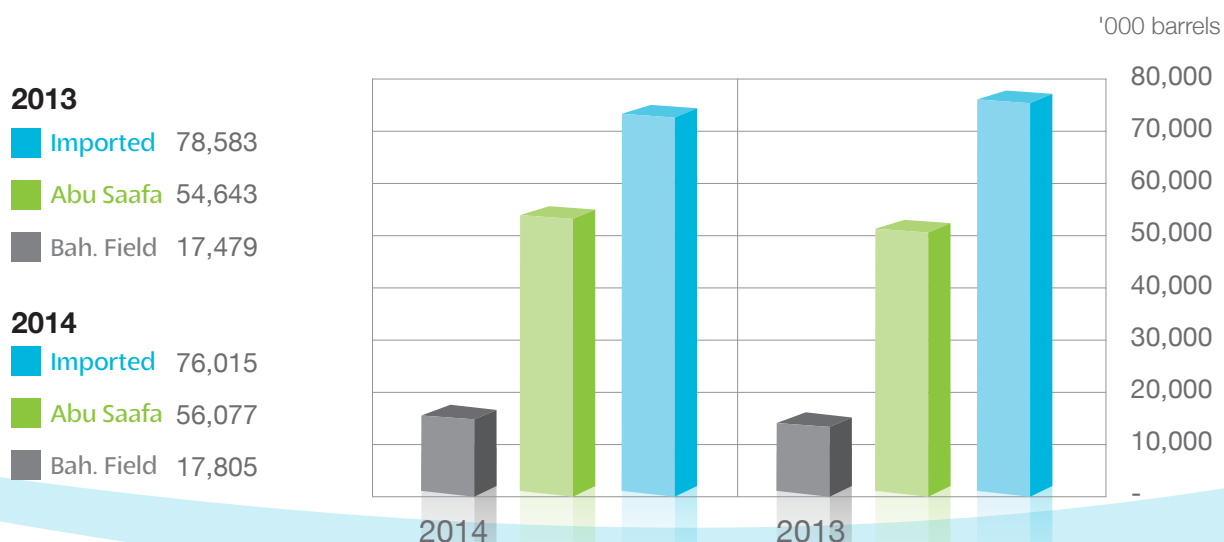


Oil & Gas statistics for 2014 Against 2013

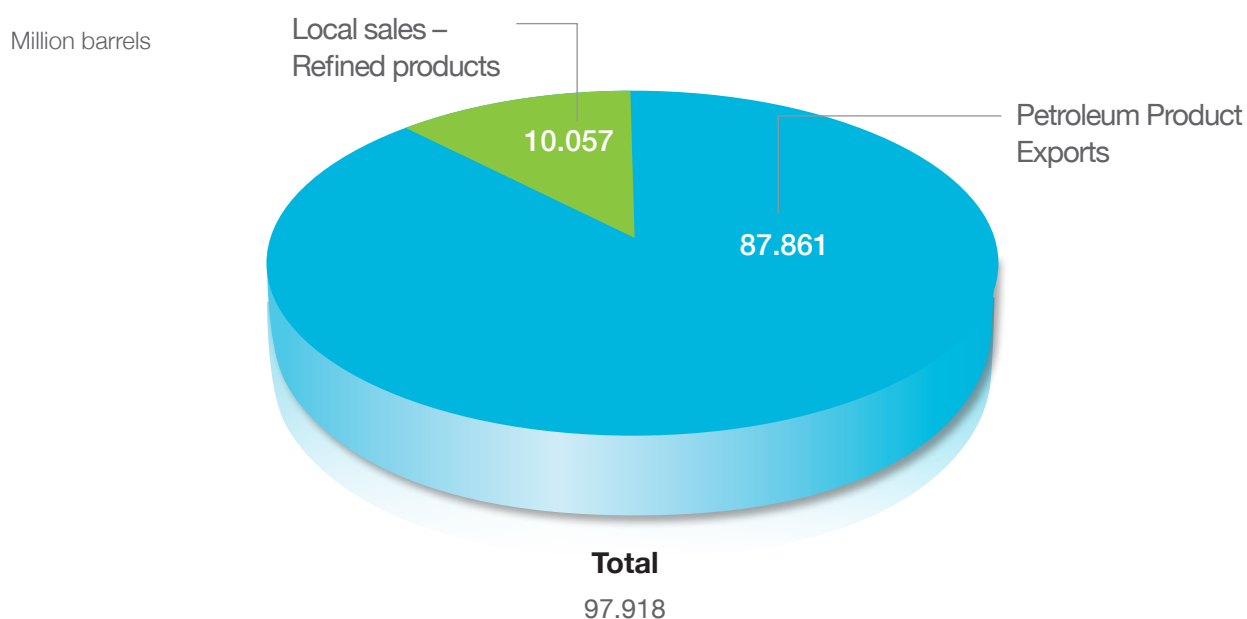
Description	2014	2013	Daily Average	
	Million barrels		2014	2013
Bahrain Field	17.805	17.479	48,781	47,887
Abu Saafa Field	56.077	54.643	153,636	149,708
Total	73.882	72.122	202,417	197,595
Imported Saudi crude oil	76.015	78.583	208,260	215,297
Crude oil run to Refinery	97.280	97.410	266,521	266,876
Refinery Production	100.233	99.962	274,611	273,870
Local sales	10.057	9.814	27,553	26,888
Airport Sales (Jet Fuel)	3.070	3.124	8,411	8,558
Petroleum Product Exports	87.861	87.183	240,715	238,858
Banagas Production	3.710	3.491	10,164	9,564
GPIC Production (M.MT)	1.558	1.595	4,268	4,369

Modified statistics of Petroleum products exports for 2014 according to BAPCO statistics.

Oil Production & Imported Crude 2014 - 2013



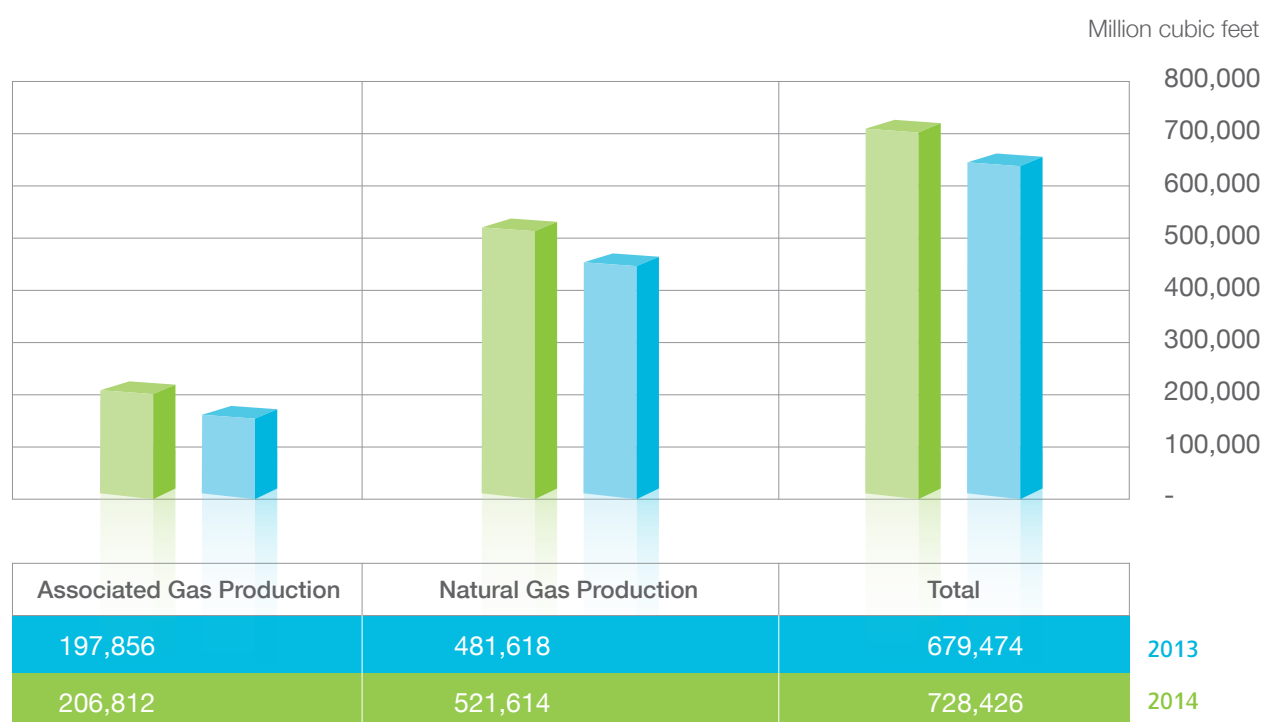
Refinery Production for 2014



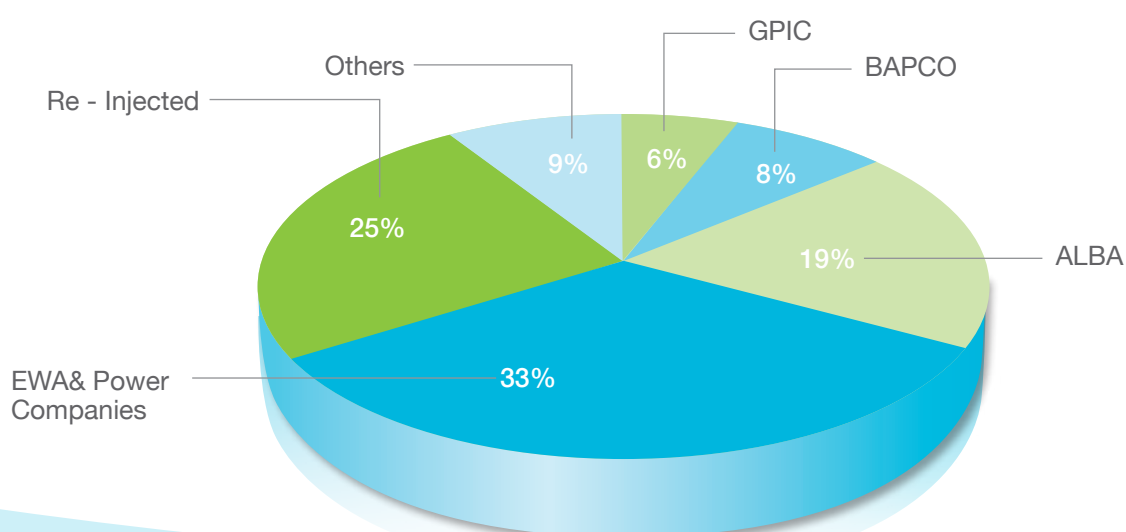
Gas Production During 2014 Against 2013

Description	Billion cubic feet			%
	2014	2013	Variance	
Natural Gas Production	521.614	481.618	39.996	8.30
Associated Gas Production	206.812	197.856	8.956	4.53
Total	728.426	679.474	48.952	7.20

Gas Production During 2014 Against 2013



Distribution of Gas Consumption for 2014



Second:

Oil Projects and Field Visits to Companies



A. Oil Projects

1. Bahrain Refinery Modernisation Project (Bapco)

This strategic project will be implemented in order to modernise the Bahrain Refinery, the first oil processing plant established in a Gulf Arab State, in 1936. Currently, the refinery produces 260 thousand barrels of oil products per day, out of which it exports 91%, while the remaining goes in domestic consumption. The estimated budget of this project is US \$ 5 billion.

2. Pipeline Replacement and Expansion Project

A Pipeline Replacement and Expansion Project will replace the ageing crude oil pipeline that connects the oil fields in Saudi Arabia and Bahrain Refinery. The 115km long pipeline will be able to transport large volumes of crude oil, which will rise from the current 220 thousand barrels to about 350 thousand barrels of crude oil per day following the modernization. The project will contribute to rise in crude oil imports.

3. Deep Gas Project

A Deep Gas Exploration and Production Sharing Agreement (EPSA) for the Bahrain Oil Field was signed by the government of Bahrain with the American company Occidental in February 2011 to explore deep gas resources in Bahrain within the framework of the country's ambitious initiatives to contribute effectively in meeting the gas needs and growing energy demand of the Kingdom.



4. Solar Energy Project launch

The signing of the project agreement was in the month of March 2012. Bapco Chairman, Eng. Adel Khalil Al Moayyed, had inaugurated the Bahrain Solar Energy Pilot Project on Wednesday, June 25, 2014. In attendance was the NOGA Secretary-General Dr. Ahmed Ali Al Sharyan.



As part of its ongoing efforts to support and implement the national initiatives of Bahrain, in collaboration with the National Oil and Gas Authority (NOGA), the Bahrain Petroleum Company (Bapco) took on a clean energy initiative applying solar energy technologies. The project contributes to the establishment of renewed energy industries in the Kingdom to enhance the national economy and job creation prospects, while establishing a new industry in the domestic market that could help reduce the country's natural gas dependence.

The complete project design as well as its engineering, procurement and construction works were completed by US company Petra Solar, and implemented at a total budget of US\$ 27 million. Work on the pilot project had commenced since November 2012, to encourage diversification of energy sources.

The key objective of this pioneering project is to showcase Bahrain's idea of employing corporate social responsibility in environment preservation, while protecting the Kingdom's fossil fuel interests. The project's total capacity is 5MW, judiciously distributed in three areas within the Kingdom: the Refinery Plant unit (3MW), Awali unit (1.5MW) and the University of Bahrain unit (0.5MW).

5. Relocation of aviation fuel depots, from Arad to Airport

During a Cabinet meeting held on Monday, December 29, 2014, H.R.H. Prime Minister Prince Khalifa bin Salman Al Khalifa ordered fuel depots in Arad to be relocated to the Bahrain International Airport (BIA).

The Bahrain Airport Company (BAC) in its major restructuring of the BIA infrastructure and services, will be moving the aviation fuel tanks inside the airport premises.

An extensive study was carried out to identify the location for the construction of reservoirs and related facilities within the BIA to cater to Bahrain's current and future aviation fuel needs.

Nogaholding company, along with Bahrain Airport Company (BAC), has chosen British Petroleum (BP Global) for drawing up a preliminary engineering design for the relocation.

Nogaholding had held several meetings with the BAC to finalise the names of the consulting firms that will carry out detailed project studies, including renovation and expansion of the aviation pipeline network at the airport. Twelve international engineering firms specialized in such projects have been shortlisted and names sent to the Tender Board for a final approval to launch the project tender. The construction work is expected to start in full swing soon and its facilities to be operational during the year.

6. Opening of 9th Gas Compressor Station and new Central Control Room at Banagas

On the occasion of Bahrain National Day, Accession Day of His Majesty King Hamad bin Isa Al Khalifa of the Kingdom of Bahrain, and Eid celebrations, Minister of Energy H.E. Dr. Abdul Hussain bin Ali Mirza, opened the ninth gas compressor station, a \$ 42 million CS9 at the Bahrain National Gas Company (Banagas). The Minister was briefed on the CS9, the new infrastructure, and a well-equipped new Central Control Room, complete with advanced control equipment for key factory operations.



The station had started part operation in October 2013. Built at a cost of \$ 42.4 million by Japan's JGC Gulf International, the project can accommodate 60 million cubic feet of associated gas generated from the refinery operations.

The CS9 comprises of six gas compressors, an eco-house with a power generation device designed with environment compliant specifications, and another to burn toxic gases. In addition, it also has a lock system for hydrocarbon fluids disposal in order to protect soil and surrounding environment. A device has been installed to continuously monitor emissions from the plant stacks.

The opening was attended by Banagas Governing Council members, Bahrain National Gas Expansion Company (BNGEC) Board of Directors and senior NOGA officials.

This giant strategic Banagas project is environment friendly and adheres to global safety standards, demonstrating the NOGA strategy of implementing eco projects in the Kingdom of Bahrain.

Banagas is a Bahraini shareholding company, with 75% shares owned by the Government of Bahrain, 12.5% by Chevron Bahrain and another 12.5% by Boubyan Petrochemical Company from Kuwait.

Banagas has more than 450 employees, including 92% Bahraini nationals. With its continuing high productivity levels, the company has been able to contribute significantly to the annual national revenue. Its outstanding achievements in the field of occupational safety has won it global recognition and placed Banagas among the most successful industrial projects set up by the Bahrain government to ensure the prosperity of its citizens.

B. Field Visits to Oil Companies

1. Visit to Bapco

Minister of Energy H.E. Dr. Abdul Hussain bin Ali Mirza paid an inspection visit to the Bahrain Petroleum Company (Bapco) headquarters and Bahrain Refinery on Tuesday, December 23, 2014, where Bapco Chairman Eng. Adel Khalil Almoayyed and members of the Board of Directors received him.

The Minister held a meeting with the Bapco Board members and Divisional General Managers. He expressed his delight with the company's key achievements during the year, and its ambitious plans and projects in several areas, in particular the refinery modernization project. He appreciated the ideas put forward by company



officials for the development of oil and gas sector in Bahrain, and future prospects of the company. He acknowledged a number of key aspects with regard to future challenges faced by the oil industry.

2. Visit to Banagas

Minister of Energy H.E. Dr. Abdul Hussain bin Ali Mirza visited Bahrain National Gas Company (Banagas), where board members of Banagas and Banagas Expansion greeted him.

The Minister congratulated all Banagas officials and employees on the occasion of marking 35 years of the company establishment. He praised in the efforts made by the board of directors and the executive management for the development and implementation of a clear strategy for the company's future. He congratulated them for the successful plans and contributions that help the economy of Bahrain.

The officials briefed H.E. Dr Mirza about the progress in the Banagas expansion project, which included the establishment of a new compression station, with complete infrastructure and delivery pipeline, as well as the new explosion-proof CPU gas control unit. The Minister was briefed on the key achievements of the company, including the training and development program, which underlined Bahrainisation in supervisory and management positions. He also visited the annual Banagas Safety, Health and Environment Week (SHE) exhibition, where he expressed his appreciation for the exhibits that emphasized efficiency. He praised the company's annual charity events and competitions, which created social awareness on matters of safety, health and environment, held with participation by various Ministries and government institutions, including the Ministry of Interior represented by the General Directorate of Traffic and General Directorate of Civil Defence, Ministry of Health, Electricity and Water Authority, General Authority for the Protection of Marine Resources, Environment and Wildlife, Al Areen Wildlife Reserve and a number of local businesses, who showcased the latest equipment and expertise. A number of safety, health and environmental awareness tools were on display.



The Minister praised the efforts put in preparation for the 2015 Banagas SHE Week. He praised the various achievements of the company in the field of safety, particularly, for winning the Oil and Gas Sector Excellence Award from Royal Society for the Prevention of Accidents (RoSPA) and numerous other international awards in the field of safety, health and environment from prestigious organizations such as British Safety Council, American Gas Association and United States National Safety Council. He said the achievements of Banagas reflected the prestigious status enjoyed by Bahraini companies locally, regionally and globally. He praised the hard work of the company employees, wishing them happiness, further development and prosperity.

3. Visit to Tatweer Petroleum

Minister of Energy H.E. Dr. Abdul Hussain bin Ali Mirza on Sunday, December 28, 2014 visited Tatweer Petroleum.



The Minister praised the efforts of the company employees during his tour of the various divisions and facilities, saying it had a great impact in ensuring the continuation of fruitful work for the development of the Bahrain Oil Field discovered in 1932, the oldest oil field in the Gulf Cooperation Council (GCC). He praised the wonderful partnership of Bahrain's noaholding, US company Occidental and UAE's Mubadala to increase the production in Bahrain Oil field employing the latest global technology for enhanced oil recovery, which contributed to the country's prosperity and growth of Bahrain's economy.

The Minister also discussed with them ways to organize camping sites and the need to setup proactive plans to avoid traumatic incidents by providing guidance and safety advice to campers.

4. Visit to Deep Gas Project Site

Minister of Energy H.E. Dr. Abdul Hussain bin Ali Mirza on Tuesday, December 30, 2014, visited a Deep Gas Well site. Bapco Board Chairman, members, management



staff and a number of officials from the oil and gas sector of the Kingdom of Bahrain accompanied the Minister. Occidental representatives gave a short presentation on the project objectives, engineering design and timeframe. This was followed by a tour to the well site to inspect facilities and drilling operations equipment.

An Exploration and Production Sharing Agreement (EPSA) was signed in February 2011 by the Bahrain government with Occidental Petroleum to explore and drill deep reservoirs in line with the initiatives and policies aimed at fulfilling the needs of the gas in the Kingdom and meeting the country's growing energy demand.

Third:

Overseas Participation and International Cooperation



A. Overseas Participation

1. 10th Arab Energy Conference

Minister of Energy H.E. Dr. Abdul Hussain bin Ali Mirza participated in the 10th Arab Energy Conference. The conference was inaugurated by H.E. Eng. Suhail bin Mohammed Al Mazrouei, Minister of Energy of the United Arab Emirates on Sunday, December 21 and was attended by a large number of Energy Ministers, the Organization of Arab Petroleum Exporting Countries (OAPEC) Secretary General and other members. More than 400 delegates from Arab countries, including experts and heads of international energy sector institutions and organizations, participated.

H.E. Dr. Mirza and H.E. Eng. Ali bin Ibrahim Al Naimi, Minister of Oil, Saudi Arabia were among the Ministers on the opening day.



The conference had three panel discussions: 'Current developments in the oil and natural gas markets and their implications for energy sector in the Arab world', 'The Arab energy investment outlook' and 'Energy, environment, and sustainable development' and four technical sessions: 'Arab and world energy resources: reality and expectations', 'Consumption and conservation of energy in the Arab countries', 'Arab electricity interconnection' and 'Technological developments and their Implications for energy sector'.

The conference aimed to establish an Arab institutional framework to review oil and energy issues in order to develop a Pan-Arab perspective, coordinate relations among Arab institutions concerned with energy and development, energy policies with developmental issues, study present and future Arab energy requirements and ways to meet them as well as identify and assess energy resources in Arab countries. It also aimed to coordinate and enhance efforts to develop them and evaluate international energy policies' impact on Arab countries.

The conference concluded on December 23 with a resolution to continue communication among OAPC member states and actively participate in the forthcoming Arab Energy Conference which is expected to be held in 2018.

Dr. Ahmed Ali Al Sharyan, Secretary-General of NOGA, Mr. Ali A. Jabber Al Sawad, General Manager, Strategies and Planning, Mr. Faihan Mohamed Al Faihani, Director of Policies and Oil Statistics and Ms. Walaa Mohammed Al Malki, studies Specialist in Studies & International Relations Directorate accompanied the Minister.

First Technical Session of Arab Energy Conference

Minister of Energy H.E. Dr. Abdul Hussain bin Ali Mirza presided over the first technical session of the 10th Arab Energy Conference held in Abu Dhabi. The session titled 'Arab and Global Energy Resources: Reality and Expectations' was held on Monday, December 22, where five working papers were presented.

Mr. Alex Schindelar, Dubai Bureau Chief of Energy Intelligence Group presented the first paper 'Arab and World Resources of Conventional and Unconventional



Oil and Natural Gas'. Dr. Abdelmajid Mahjoub, Director General of Arab Atomic Energy Agency presented the second paper, 'Future of Nuclear Energy in Arab Countries'. Mr. Mohamed Al Hammadi, Chief Executive Officer, Emirates Nuclear Energy Corporation presented the third paper 'Future of Nuclear Energy in Arab Countries (Case Study)', where he reviewed the experience of the United Arab Emirates (UAE) and its peaceful nuclear projects. Eng. Majed Mahmoud, Head of Projects and Technical Affairs, Regional Center for Renewable Energy and Energy Efficiency in the Arab Republic of Egypt presented the fourth paper 'Renewable Energy in Arab Countries', where he discussed many ambitious projects in the field of renewable energy in Morocco, Lebanon, Sudan, Palestine, and also a unique UAE experience in solar energy. Eng. Fatima Alshamsi, Assistant Undersecretary for Electricity, Clean Energy and Desalinated Water Affairs at the Ministry of Energy,

UAE, presented the fifth paper 'Energy Mix and Sustainability of Supplies', where she explained that integrated energy strategy must be based on the analysis of the current situation and future energy demand, with sufficient consideration to energy efficiency and rational use.

2. 93rd OAPEC Ministerial Meeting

Minister of Energy H.E. Dr. Abdul Hussain bin Ali Mirza participated in the 93rd Organisation of Arab Petroleum Exporting Countries (OAPEC) Ministerial Meeting held on December 21, 2014 in Abu Dhabi, UAE under the chairmanship of Dr. Adel Abdul Mahdi, the Oil Minister of the Republic of Iraq, and attended by the Ministers of oil and gas and energy from OAPEC member countries. This meeting coincides



with the Arab Energy Conference. The council took a number of key decisions, such as:

- Adopted OAPEC draft budget for 2015
- Reappointed Tariq Usaimi & Associates as auditor for OAPEC accounts in 2015
- Briefed members about the jury decision to withhold the OAPEC Award for Scientific Research-2014 for a work entitled 'The integration between the refining and petrochemical industries', with recommendation to further develop the campaign.
- Reviewed the OIC General Secretariat special reports and activities, including environment and climate change conventions; follow-ups and information inputs to OAPEC knowledge bank.
- Briefed on annual activity reports of oil companies in member countries in 2013 and the first half of 2014 and on the 43rd annual coordination meeting report of company representatives held in Cairo, Egypt, on October 29, 2014.
- Extended Iraq's term to oversee the Arab Petroleum Training Institute (APTI) for one year effective from January 1, 2015.
- Agreed to hold the next OAPEC Council of Ministers meeting in Cairo, Egypt on December 20, 2015 and the following session will be chaired by Qatar.

3. Petrotech 2014 Conference and Exhibition in New Delhi

Minister of Finance, Minister in Charge of Oil and Gas Affairs H. E. Shaikh Ahmed bin Mohammed Al Khalifa participated in the Petrotech 2014 conference and exhibition held in New Delhi, India from January 12 to 15, following an invitation from Minister of Petroleum and Natural Gas of India H.E. Dr. M. Veerappa Moily, marking close cooperation between the two countries in the oil and gas sector and the petrochemical industry.

Shaikh Ahmed spoke about Bahrain's vision on the challenge of securing safe and sustainable energy supplies. He reviewed a number of new energy strategies, initiatives, and developmental programs for enhancing production in Bahrain Field, a key contributor to national economy.



The Minister pointed out the current indicators, which showed Bahrain was looking into importing gas to meet the growing domestic energy demand. He said that NOGA would study the scope of building a liquefied natural gas plant in the Kingdom, while exploring private participation in renewable energy prospects. He talked about the recently completed 5 megawatt first phase of the pilot solar power project. He spoke of an urgent need to control carbon emissions in order to reduce energy wastage and enhance efficiency.

4. GCC Petroleum Cooperation Committee Ministerial Meeting

Minister of Finance and Minister in Charge of Oil and Gas Affairs H.E. Shaikh Ahmed bin Mohammed Al Khalifa participated in the Ministerial Meeting of the GCC Petroleum Cooperation Committee held in Kuwait on Thursday, September 11, 2014.

The meeting discussed a number of topics on the agenda, primarily the Secretariat Memo on the possibility of unified petroleum products pricing for the GCC countries. The meeting tasked the GCC energy team to look into the interests of the GCC countries in the global context and prepare a report on the possibility of unifying oil

price. The group reviewed a meeting report between the heads of the GCC Energy Team and its European Union counterpart, stressing the importance of holding similar meetings in future to exchange views on relevant topics.

Topics discussed included another Secretariat memo on the GCC Specialist Oil Committee meetings aimed to activate Petroleum Communication Strategy mechanisms, the fourth Draft of the Uniform GCC Regulation Law for Consolidated Mining, and the Secretariat's note on the GCC Energy Affairs Team meetings for World Trade Organization and Free Trade Agreements, with emphasis on continued coordination of GCC positions on related topics.

The group also reviewed a Secretariat memo on the GCC Emergency Plan meeting for regional petroleum products, stressing data updating, holding a workshop for modelling the emergency plan, and mechanisms for activating cooperation between the GCC national oil companies. The group looked into the report of the Chairman of the working group to follow up developments in the GCC countries on the United Nations Framework Convention on Climate Change and the Kyoto Protocol.

The GCC Ministerial Preparatory Committee Meeting of Petroleum Representatives was held on Wednesday, September 10, 2014.

5. International Energy Forum

Headed by Dr. Ahmed Ali Al Sharyan, the Secretary-General of NOGA, an oil and gas sector delegation represented the Kingdom of Bahrain at the 14th International Energy Forum (IEF) held in Moscow from May 15 to 16. Dr. Mohamed Jaffer Al Sayyad, Director of Studies and International Relations joined Dr. Al Sharyan at the forum. A total of 101 delegations participated in the forum representing governments and various international oil industry organizations.



Energy ministers from all major oil producing and exporting countries, including oil ministers of Saudi Arabia, the UAE, Kuwait, Oman and Qatar, attended the first session with the Prime Minister of Russia Dmitry Medvedev.

Participants reviewed several present-day issues in the global oil scene such as the new energy outline, unconventional oil and gas exploration and the UN Secretary-General Ban Ki-moon initiative 'Sustainable Energy for All'. They also discussed transition to a low-carbon reality, global energy efficiency in light of the changing geographic distribution of energy demand and supply.

On the sidelines of the forum, Dr. Al Sharyan met the Secretary General of the International Gas Union, Torstein Indrebo and Ksenia Gladkova, senior advisor of the giant consultant. The officials shared with the Bahrain delegation the significant work done by the union since its inception in 1930 and its business activities. The non-profit organization based in the Norwegian capital of Oslo, has a membership of 125 companies and international institutions working in the gas industry, constituting 95% of the global gas market. The officials expressed interest in the LNG Terminal project being set up in Bahrain and the ongoing activities in the Kingdom in the field of gas.

6. 21st World Petroleum Council Congress

Engineer Jassim Isa Al Shirawi, General Manager of Oil and Gas Affairs at NOGA, and Ms. Ezz Ahmed Al Mannai, Head of Oil Policies, attended the 21st World Petroleum Congress (WPC), under the theme 'Responsibly Energizing a Growing World' held in the Russian capital Moscow, from June 15-19, 2014.

The congress included a number of panel discussions on energy management. Several research papers were presented, addressing the areas of oil and gas exploration and production, refining, energy investments, natural gas transport, marketing, and sustainable energy.

The WPC, founded in 1933, is one of the largest global oil and gas specialist conferences, with members from over 65 member countries responsible for over 95% of the total global petroleum production and consumption. The WPC was this year attended by more than 5,000 participants and experts in the energy sector.

There was an exhibition spread over 50,000 square meters and participated by more than 600 international companies representing a number of oil and gas products and services providing countries such as Saudi Arabia, represented by Aramco, which was also an official sponsor of the event. Other participant countries included Qatar, Kuwait and Algeria.

B. International Cooperation

1. Energy Minister meets Russian Special Presidential Representative



Minister of Energy H. E. Abdul Hussain bin Ali Mirza met Russian Special Presidential Representative for Cooperation with Gas Exporting Countries Forum and Chairman of the Gazprom, Mr. Viktor Zubkov and an accompanying delegation, who were on a visit to Bahrain to participate in the first 'Russia-GCC Trade and Industrial Dialogue', which opened on Sunday, December 14, 2014 in Manama.

They discussed several oil sector matters and potential areas of cooperation between Bahrain and Russia, including gas and energy investments, and other topics of interest to Bahrain such as gaining from the expertise of Russian oil, gas and energy sector companies. They also deliberated ways to promote oil and gas delegation visits to increase cooperation and sharing of expertise and technological advances by companies on both sides. They talked about increased participation of energy professionals from both countries in energy events held in Bahrain and Russia.

2. Kingdom of Bahrain becomes International Gas Union member

Kingdom of Bahrain was granted membership in the International Gas Union (IGU) during the annual International Gas Union Meeting held in Berlin, Federal Republic of Germany from October 14 to 17, 2014. Currently there are 142 members in the IGU, from 91 countries enjoying a membership pact, as well as 51 associate members.

The membership opens for Bahrain new EU avenues, and various opportunities for the Bahraini gas industry in the global gas market, both in terms of expansion and international relations. With this, NOGA will be able to interact more with all international organizations related to the gas industry and capitalize the strategic position of Bahrain in the region to attract and host annual IGU events organized throughout the year.



Engineer Jassim Isa Al Shirawi, General Manager of Oil and Gas Affairs, represented NOGA at the conference and made a presentation on the membership of the Kingdom of Bahrain in the global union.

3. Memorandum of Understanding between NOGA and Arab Energy Forum

The National Oil and Gas Authority (NOGA) signed a Memorandum of Understanding (MoU) for cooperation with the Arab Energy Forum (AEF) on March 27. The two sides agreed to hold periodical meetings on a rotation basis. The AEF agreed to hold its annual meeting in the Kingdom of Bahrain. Mr. Ali A. Jabar Al Sawad, General Manager of Strategies and Planning, signed the MoU on behalf of NOGA while Dr. Abdullah Ibrahim Al Quwaiz, signed on behalf of AEF Secretary-General, in the presence of the forum's Chairman Dr. Majid Al Muneef and Mr. Faihan Mohammed Al Faihani - Director of Oil Policies and Statistics at NOGA.

The MoU was based on the principle of cooperation for the benefit of the Arab energy sector, and supported dialogue between workers and other energy sector stakeholders. As per the MoU, NOGA will facilitate the approvals of competent authorities in Bahrain for hosting AEF meetings and activities in the country. It also



stated the possibility of AEF opening a liaison office in Bahrain in coordination with NOGA two months prior to the meeting date so as to allow it to make necessary contacts to facilitate the perfect organization of meetings and forums.

4. Business visit to the People's Republic of China

A delegation representing the oil, gas and petrochemical sectors in the Kingdom of Bahrain toured the People's Republic of China and met senior officials of China National Energy Administration (NEA), and other major companies in the country. The visit was supported by the Joint Bahraini-Chinese Committee, established after a Memorandum of Understanding (MoU) was signed between the two countries on the sidelines of His Majesty King Hamad bin Isa Al Khalifa's historic visit to China in 2013.

The Bahraini delegation was headed by Dr. Ahmed Ali Al Sharyan, the Secretary-General of NOGA and included Eng. Anwar Salman Khalaf, Advisor for the Minister's Office, and Dr. Mohammad Jaffer Al Sayyad, Director of Studies and International Relations. Other delegates included Eng. Isa Janahi, Director of Petroleum Engineering and Eng. Abdulla Ali Juma, Reliability Inspector from the Bahrain Petroleum Company (Bapco) as well as Eng. Fadhel Malallah Al Ansari, General Manager, Manufacturing and Eng. Ahmed Mubarak Al Arabi, Material and Procurement Inspector from the Gulf Petrochemical Industries Company (GPIC).

Dr. Al Sharyan chaired the Bahraini side during the meeting, in the presence of the Bahraini Ambassador to China Dr. Anwar Al-Abdulla. The Chinese side was headed by Dr. Yang Lei, NEA Deputy Director General and attended by the General Manager Dr. Liu Dishon, Deputy Director Mr. Zhang Yukinj and a number of senior officials. The meeting was held at the NEA headquarters, in the presence of 40 top officials from the oil, gas and petrochemical companies in China. The Bahraini delegation included representatives of Bahrain Economic Development Board office in Beijing, who will be following up the Bahraini Companies Agreements have signed with the Chinese

companies. On the second day of the visit, the delegation met senior officials from the China Research Institute of Petroleum Exploration and Development (SINOPEC) and China National Petroleum Corporation (CNPC).



The Bahraini delegation also met senior company officials of Kerui Group, an oil giant with 8,000 employees, operating in 57 countries around the world. The Chinese side was headed by geologist Mr. Qinghong Rong, vice-president, Kerui Group, and the Bahraini side by Dr. Al Sharyan at the meeting. The delegates exchanged notes about unconventional wells drilling in the Kingdom of Bahrain. Bahrain agreed to organise field visits to Kerui officials in the Kingdom to continue the work in the area.

5. Research cooperation with Nexant Consultancy

A study on natural gas pricing in the Kingdom of Bahrain was carried out by NOGA in cooperation with Nexant consultancy firm, in consultation with concerned government agencies and senior gas consumers where a team reviewed if the proposed new policy was suitable for future applications and striking a balance in meeting the country's growing natural gas needs, while reducing the vast difference with the global prices. NOGA is currently reviewing the conclusions of the study with the concerned authorities in preparation of price arrangements taking into account government priorities and directions for the sustainable development of Bahrain's natural resources.

6. Cooperation with the University of Bahrain

National Oil and Gas Authority (NOGA) and University of Bahrain (UoB) agreed for a research cooperation, in a joint NOGA Oil and Gas Affairs-UoB College of Engineering technical study to measure the effect of increasing diesel price in case NOGA raises the price and to assess which sectors would be most affected.

Fourth:

Local Conferences,
Exhibitions and Events



1. 15th Middle East Corrosion Conference and Exhibition

Minister of Finance, Minister in Charge of the Oil and Gas Affairs H.E. Shaikh Ahmed bin Mohammed Al Khalifa opened the 15th Middle East Corrosion Conference and Exhibition (MECCE) on Sunday, February 2 at the Gulf International Convention Centre - Gulf Hotel, with the participation of a number of corrosion engineers, specialists and researchers and representatives from local, regional and global businesses. The conference was organised by Bahrain Society of Engineers (BSE) in cooperation with the National Association of Corrosion Engineers (NACE) - Dhahran-Saudi Arabia, West Asia and Africa chapters, and in coordination with NOGA.

The event included the largest specialist exhibitions of its kind held in the Middle East. Since 1979, BSE and NACE have collaborated for the corrosion series to provide information exchange for those working in all areas of corrosion prevention in oil and gas, energy sectors in various industries around the world. More than 700 delegates participated and 140 scientific papers were presented this year.

The Conference Chairman Ahmad Al Khowaiter, NACE President Mr. Tushar Javeri, NACE Director Mr. Abdullah Al Ghamdi and BSE President Eng. A. Majeed Al Gassab spoke at the opening.



H.E. Shaikh Ahmed also opened an associated exhibition showcasing the latest technology by 80 local, regional and international participating companies from United States, United Kingdom, Canada, Sweden, China, Italy, France, the Netherlands, Finland, India and many regional and Gulf companies.

2. 11th Middle East Geosciences Conference and Exhibition (GEO 2014)

Under the patronage of His Royal Highness Prince Khalifa bin Salman Al Khalifa, the Prime Minister of the Kingdom of Bahrain, the 11th Middle East Geosciences Conference and Exhibition (GEO 2014) kicked off in Bahrain on March 9. The event, held up to March 12 at the Bahrain International Exhibition Centre, was attended by more than 1,700 participants, including researchers, officials, executives, engineers and specialists from Bahrain, other GCC countries, Middle East, US, EU, Asia and elsewhere, as well as 130 international companies specializing in the field of geological and geophysical science and technology as well as exploration and production companies from more than 21 countries.



Minister of Finance, Minister in Charge of the Oil and Gas Affairs H.E. Shaikh Ahmed bin Mohammed Al Khalifa, on behalf of H.R.H. the Prime Minister, opened GEO 2014 on Monday, March 10. The Minister expressed his gratitude and appreciation to the Premier for supporting the grand oil initiative and for patronizing it since its inception in 1994, which had turned it into one of the most prominent international events in the field of geological and geophysical science and technology, exploration and production, praising his continuous support and encouraging guidance to make it a globally popular event

On being delegated by the Prime Minister, H.E. Shaikh Ahmed opened the GEO 2014, on March 10th where he said that the Premier's patronage of the global event contributed significantly in attracting many international oil companies to participate, including Chevron Corporation, Weatherford, Total, Shell, Halliburton, Schlumberger, Occidental and Exxon Mobil as well as oil companies in the GCC, including Saudi Aramco, Petroleum Development Oman, Qatar Petroleum, Al Khafji Joint Operations Company, Abu Dhabi National Oil Company (Adnoc), Bapco and Kuwait Petroleum

Corporation. Companies from all over the world including Australia, Canada, China, Denmark, Egypt, France, Germany, Kuwait, Luxembourg, Malaysia, Netherlands, Norway, Oman, Qatar, Russia, Saudi Arabia, Spain, the UAE, UK, US, and North America, took part in the exhibition held over 8,000 square meters of exhibition space.

3. Risk Management for Business Workshop

NOGA on March 6 organized a Petrofac training workshop for its employees, as part of its training program, in coordination with nogaholding company entitled 'Enterprise Risk, Business Continuity and Disaster Management'.

The workshop was conducted by international specialist Mr. James Roaders, who gave an explained the importance of the three topics citing examples of accidents



caused due to disregarding regulations. He discussed important concepts applicable in organizations, particularly in the corporate sector of oil and gas, petrochemicals and government agencies. He also discussed the types of international certification approved in this region and their differences. He explained other certifications such as health and safety management, environmental management and quality management. He pointed out that the integration of six certificates reflected the strength of a company, proved its sustainability and ability to adapt to emergency events and changes. Mr. Roaders said that only a few international companies had a chance to get all six certifications, including the Gulf Petrochemical Industries Company (GPIC) in Bahrain.

4. MEED Energy Conference 2014 - Bahrain

Minister of Finance, Minister in Charge of the Oil and Gas Affairs H.E. Shaikh Ahmed bin Mohammed Al Khalifa opened on April 22 Bahrain Energy Forum and Exhibition organized by MEED, a group specialized in news and analysis of Middle East economies, in cooperation with NOGA.

More than 150 delegates participated in the event, including officials, researchers, local and international policy-makers and businessmen in the oil and gas and banking sector. Contractors, consultants, engineers and representatives from oil and gas transportation and supply companies and others in the production side, in addition to prominent GCC oil and gas sector officials also participated.

The Minister said that Bahrain was launched a number of new projects in the field of oil and gas, electricity and water, and other industries worth billions of dollars, which proved the strategic direction of the country, and presented opportunities for the oil and gas sector investment companies.



A number of expert speakers from oil companies under NOGA participated in the conference sessions, including H.E. Shaikh Mohammed bin Khalifa Al Khalifa, Chief Executive of nogaholding, Eng. Adel Khalil Al Moayyed, Chairman of Bapco and Dr. Edward Hanley, Chief Executive of Tatweer Petroleum.

A workshop was organised on the sidelines of the conference on April 21 on building energy efficient government offices. A field visit was organised to the Gulf Petrochemical Industries Company (GPIC) for delegates to see the company operations and environmental initiatives to protect human and environment health. The conference date coincided with the anniversary of the first shipment of crude oil from Bahrain to Japan in 1934, and celebrated the achievements of the oil and gas sector in the Kingdom.

5. 9th Middle East Refining & Petrochemicals Conference and Exhibition (Petrotech 2014)

Under the patronage of His Royal Highness Prince Khalifa bin Salman Al Khalifa, the Prime Minister of the Kingdom of Bahrain the 9th Middle East Refining & Petrochemicals Conference and Exhibition (Petrotech 2014) was held from May 18 to 21. The event was organized by the Arabian Exhibition Management Company, Allworld Exhibitions, and supported by Saudi Aramco and NOGA. H.R.H. the Prime Minister delegated His Highness Shaikh Ali bin Khalifa Al Khalifa, the Deputy Prime Minister to open Petrotech 2014 at the Bahrain International Exhibition Centre on May 19.

H.H. Shaikh Ali toured the exhibition accompanied by Minister of Finance, Minister in Charge of the Oil and Gas Affairs H.E. Shaikh Ahmed bin Mohammed Al Khalifa, who briefed him about the exhibits showcasing latest technologies in the oil refining and petrochemicals industry. The Deputy Premier expressed his gratitude to the Prime Minister for his constant support of the oil and gas sector, and continued directives to develop it and enhance its role in the national income.

He said that the Premier's keenness to patronise the event since its inception in 1996 established the government's total support for the oil refining and petrochemical industry, and quest to develop investments in the oil industry to add value to the national economy. He said the government's interest in trade exhibitions and conferences contributed to increasing commercial and tourist movements to Bahrain and highlighted the Kingdom's potential and attractive investment opportunities.

H.R.H. the Prime Minister delegated H.E. Shaikh Ahmed to open the conference on May 18 at the Ritz-Carlton-Bahrain. H.E. Shaikh Ahmed expressed his gratitude to the Prime Minister for his patronage and the government's keenness to boost oil and gas sector investments to meet the growing energy demand.



The development of the petrochemical industry in Bahrain dates back to 1979 with the establishment of Gulf Petrochemicals Industries Company (GPIC), a joint venture between Bahrain, Saudi Arabia and Kuwait. The conference provided a platform to

explore more investment opportunities in Bahrain and the Middle East in the rapidly growing sector, and helped take informed decisions.

H.E. Dr. Mohammed Al Jasser, Minister of Economy and Planning, Saudi Arabia, and Mr. Khalid Al Falih, President and CEO of Saudi Aramco attended the opening.



6. 1st Bahrain International Corporate Governance Conference

Bahrain's first International Corporate Governance Conference was launched on September 17 at Crowne Plaza, where participants reviewed top local and global corporate governance practices. The event was attended by a number of public and private sector employees, various government agencies and institutions, commercial, industrial and banking sectors, as well as researchers and scholars from management and business studies departments from various universities, vocational institutes and local colleges, who gathered to share their research work, case studies and scientific expertise. The conference was organized by Prince Events Management under the Patronage of NOGA on September 17-18, 2014.

Corporate governance globally received great attention from company managements. Right application of corporate governance, as well as adherence to standards of disclosure and transparency lead to improved performance of public and private sector organizations, and enhanced their contribution to national economy and in the communities they operate. It also improves the global business environment; a goal the conference brought one step closer. As the world turns to globalization and



economic openness, it faced challenges from market economy and global financial crisis, which require strict legislation and global practices to improve corporate governance to take advantage of the leading experiences.

7. 2nd Middle East Operational Excellence Conference

Under the patronage of NOGA the second edition of the Operational Excellence Middle East conference kicked off at the Al Riffa Hall in the Intercontinental Regency Hotel on September 29. The event was jointly organized by the Middle East Energy Events - Clarion Events and World Refining Association and American Institute of Chemical Engineers-Saudi Arabia Section, with the support of the Bahrain Petroleum Company (Bapco), Petro IT, Honeywell, OutPont and Arcadis, in coordination with NOGA.



The NOGA Secretary-General Dr. Ahmed Ali Al Sharyan, Chief Executive of Bahrain Petroleum Company (Bapco) Dr. Peter Bartlett, and a number of senior NOGA officials attended the opening ceremony. Oil professionals, engineers and technicians from Bahrain and other Gulf countries, delegates from international companies in the field of petroleum engineering and petrochemicals as well as technical solution providers and management consulting firms in the oil sector participated.

The conference offered a bouquet of workshops and lectures held by prominent speakers from several international companies, distinguished in the field of oil and gas.

The event was spread over three days from September 28-30. A one-day pre-conference master class was held on September 28 to provide a practical and interactive demonstration of various operational excellence approaches that have been successfully employed to deliver sustainable benefit in national and international oil companies.

8. Middle East Ethylene Conference and Exhibition

Minister of Finance, Minister in Charge of Oil and Gas Affairs H.E. Shaikh Ahmed bin Mohammed Al Khalifa opened the Middle East Ethylene Conference on Monday, October 20, 2014, at the Gulf International Convention Centre in Gulf Hotel. The conference was held under the slogan 'Meeting Technical Challenges in the Ethylene Industry through Efficient & Sustainable Technology', and organized by Middle East Energy Events with the support of the Saudi branch of the American Institute of Chemical Engineers and in coordination with NOGA and a number of international and Gulf based oil companies, attended by a large number of oil industry experts and engineers.

The Minister pointed out that industry forecasts indicated that the global ethylene market would grow between 2013 and 2018 with high GCC exports. He said that Middle East would witness rapid growth and turn into an important hub for ethylene



industry due to its ability to provide raw materials and global competition by 2020. He added that the petrochemical industry was witnessing a remarkable rise with investment opportunities in emerging projects and major petrochemical markets.

The Minister inaugurated an accompanying exhibition and met representatives of a number of participating international and Gulf companies, including Bapco, GPIC, Bahrain National Gas (Banagas), Saudi Basic Industries Corporation (SABIC), Sadara Company, GE, Aspen Tech, Technip. Schneider Electric, and Qatar Petrochemical Company. The exhibitors showcased some of the best practices in ethylene industry and the latest innovations in advanced engineering, process control systems, industrial implementation and supply chains.

Dr. Joseph Toth, Vice President of the World Petroleum Council (WPC) praised the event, which he said had a distinctive high level of organization. He also praised the technical papers presented. He said the WPC was holding talks with oil and gas sector officials in the Kingdom to hold the council's regional meetings and special events in the Kingdom of Bahrain.

9. 3rd International Laboratory Technology Conference (Labtech 2014)

Minister of Finance, Minister in Charge of Oil and Gas Affairs H.E. Shaikh Ahmed bin Mohammed Al Khalifa opened on Tuesday, October 28, the 3rd International Laboratory Technology Conference & Exhibition (Labtech-2014) at the Gulf International Convention Centre at Gulf Hotel under the theme 'Towards Excellence in Laboratory Management'. The event was organized by the Saudi Arabian International Chemical Sciences Chapter of the American Chemical Society in collaboration with the University of Bahrain, in coordination with NOGA and with the support of a number of Gulf and global oil companies and extensive participation from the GCC and many other countries.

He said that NOGA and the Bapco had modernized the Bahrain Refinery, employing the latest technologies in the petroleum industry, and upgraded machinery used in testing crude and petroleum products complying with international safety, quality and environment protection standards. All nogaholding companies employed latest laboratory technologies; and achieved occupational safety, environmental safeguards and quality objectives, winning a number of international appreciation awards, he pointed out.

The Minister also opened an accompanying exhibition, where many local, Gulf and international oil companies showcased various innovations and the latest technology. Participants from the region included Bapco, GPIC, Banagas, Saudi Aramco and Yasref, among others. Renewable energy companies showcased modern high-end devices used in petrochemical labs, while some exhibitors shared tips on best practices and success stories in the field of refining and technology transfer in laboratories and chemical industries.



More than 700 participants from several Gulf, regional and international companies participated in the conference. The exhibition was attended by companies from all over the world, showcasing the latest developments in the field of laboratory technology.

10. 2nd Middle East Artificial Lift Conference and Exhibition

Minister of Finance, Minister in Charge of Oil and Gas Affairs H.E. Shaikh Ahmed bin Mohammed Al Khalifa opened the 2nd Middle East Artificial Lift Conference and Exhibition at the Diplomat Radisson Blu Hotel in Bahrain on Wednesday, November 26, 2014. The event was organized by the Society of Petroleum Engineers (SPE), in cooperation with NOGA, with the support and sponsorship of Saudi Aramco and sponsorship of Alkhorayef Petroleum, Weatherford, Schlumberger, Baker Hughes, Bapco and GE Oil & Gas. A number of specialists and managers working in the field of artificial lift participated.



The Minister pointed out in his opening speech the need for oil and gas producing countries to focus on the use of advanced technology and artificial lift techniques in order to increase the production capacity of the fields, both in the Middle East and other regions of the world. He pointed out that oil exploration was changing, as oil producing countries had started exploring difficult reserves, at a time when the industry was witnessing advanced systems and non-traditional initiatives to develop engineering solutions for the extraction of additional barrels from complex reservoirs.

He said that most oil wells in the Bahrain Field used artificial lifts, which contributed to the national oil production volumes. He pointed out that the Kingdom used advanced business strategies and entered into successful joint ventures, citing the partnership between a holding company with US oil giant Occidental Petroleum and the UAE's Mubadala, where it employs advanced technology to improve oil production in Bahrain Field, one of the oldest oil fields in the GCC.

11. 3rd Middle East Maintenance Conference and Exhibition 2014

Minister of Energy His Excellency Dr. Abdul Hussain bin Ali Mirza opened the 3rd Middle East Maintcon Conference and Exhibition 2014 at the Gulf International Exhibition Centre - Gulf Hotel in Bahrain on Sunday, December 7. The event was organized by Gulf Society for Maintenance Professionals (GSMP) and Bahrain Society of Engineers (BSE), and supported by the Global Forum for Maintenance and asset management in collaboration with NOGA. The Maintenance Conference and Exhibition continued until Wednesday, December 10, 2014.

The exhibition participants included many international oil companies from countries around the world, including GCC oil companies, among them Saudi Aramco, Kuwait Petroleum Corporation, Flow Serve, YASREF, SADARA, ADNOC, Zamil, Al Abdul Karim Holding, AHSTCO, Aluminium Bahrain (Alba), MCSC, Petroleum Development Oman, Bapco, GPIC and Banagas.



H.E. Dr. Mirza said in his opening speech that there was an urgent need for high quality safety tools to match the continuous development of the global oil market, taking into account the diversity of new trends, applicable rules and regulations in the vital field. Noting that the oil and gas industry was constantly evolving, he said it was encouraging to see operational efficiency further strengthening procedures. Pointing out the OPEC 2014 report, which stated that oil played a pivotal role in meeting the world energy needs, even as the global economy more than doubles in size, population grows, prosperity expands everywhere, and despite a strong reduction in energy intensity.

This is the third conference and exhibition in the Maintcon series, which has as one of its objectives meeting the requirements of industrial companies in the Middle East to showcase the latest maintenance research, inventions and technologies. The Maintcon conference attracted this year more than 10 corporate sponsors, where Saudi Aramco supported the event for the third time in a row, as a diamond sponsor. This event also received three platinum sponsors, six gold sponsors and one silver sponsor.

Maintcon has become a key maintenance conference on the annual oil and gas event calendar, after the resounding success of the series. It is an event designed to provide better opportunities for the idea exchange, and sharing knowledge and experience on the latest maintenance trends and techniques. It brought together some of the top speakers, specialists and relevant authorities in the industry to and the latest advanced technology under one roof.

On the sidelines of the conference four workshops were held on various maintenance related topics and certificate courses for participants interested in the subject. Also upto 57 worksheets in the strong technical topics discussed during the conference. The conference was attended by more than 900 participants from 20 countries from around the world.

The Maintcon exhibition had a wide and distinctive participation by global and the Gulf, from 40 companies, showcasing the latest maintenance technologies.



Fifth:

Legislations and Orders



1. Law No. (36) for the year 2014 to criminalize and combat smuggling of subsidized oil products

In line with the Royal Law No. 36 of 2014, issued by His Majesty King Hamad bin Isa Al Khalifa, with regard to criminalizing and combating the smuggling of the subsidized oil products, National Oil and Gas Authority (NOGA) announced its full support to follow procedures in preparing drafts of necessary resolutions and regulations, and submitting them to competent authorities for approval.

The law includes several articles. The first article defines the crime of smuggling oil products of all kinds, mixed or unmixed, new or recycled, stating the penalty for each offence. The second article states that the presence of tankers loaded with oil products both within the customs office or any place dedicated to oil tankers without a NOGA permit is an attempt to smuggle those products and is punishable with the same penalty. The third article gives the competent Minister the authority to determining oil products backed by a decision based on the approval of the Council of Ministers.

The perpetrators of oil smuggling face imprisonment of six months up to three years, and a fine equivalent to the cost of the unsubsidized product and not more than threefold its value, or one of the two punishments, and the confiscation of such unlicensed, smuggled and exported oil products of all kinds, including adulterated and recycled by-products.

The government subsidies for petroleum products in the Kingdom of Bahrain range between 200 million dinars to 240 million dinars annually, while the quality of diesel produced locally meet international standards are much sought after in global markets because of the high quality and low percentage of sulphur, resulting in great demand.

2. NOGA prepared a draft law to criminalize and combat smuggling subsidized oil products.

3. NOGA prepared several ministerial decisions to organize or reorganize internal committees:

Employment, Incentives and Promotions, Training and Development and the Equal Opportunities Commission and the Commission of tenders and auctions.

4. Resolution No. (2) for the year 2014 for the formation and terms of reference of the Supreme Committee for the Management and Development of a Quality.

5. Resolution No. (3) for the year 2014 to form a Tender Committee to look into purchases and sales of NOGA.

6. Resolution No. (4) for the year 2014 establishment of the formation of the Equal Opportunities Committee at NOGA

Article I, deals with creating a permanent Equal Opportunities Commission referred to as 'Committee', to be headed by Mr. Ali Abdul Jabbar Al Sawad, General Manager of Strategies and Planning, and with the membership of:

- Engineer Abdul Hussain Mohammed Ali Monfaradi - Advisor to Minister - member
- Shaikh Fahad bin Salman Al Khalifa – Director of Oil and Gas Affairs - member
- Mr. Faihan Mohammed Al Faihani - Director of Policies and Oil statistics - member
- Mr. Abdul Jalil Ahmed Al Alawi - Acting Director of Human Resources and - member

Article II is related to the NOGA objectives and Article III to the terms of reference of the Committee.

Article IV pertains to related assignments.

Article V closely relates to the work of the Committee from the start of the resolution issuance.

7. Royal Decree No. (83) for the year 2014

His Majesty King Hamad bin Isa Al-Khalifa issued Royal Decree 83 / 2014 forming the new cabinet.

The text of the decree:

After consideration of the Constitution and Royal Order 57 / 2014 dated November 30, 2014, appointing His Royal Highness Prince Khalifa bin Salman Al-Khalifa as Prime Minister and assigning him to nominate the new cabinet, and based on the letter addressed to us by the Prime Minister on December 3, 2014, we decree the following:



Article I:

His Royal Highness Prince Salman bin Hamad bin Isa Al Khalifa, Crown Prince and Deputy Supreme Commander, is appointed First Deputy Prime Minister.

Article II:

It pertains to the appointment of ministers in the new cabinet reshuffle. Within this cabinet reshuffle His Excellency Dr. Abdul Hussain bin Ali Mirza was appointed Minister of Energy.

8. Resolution No. (5) for the year 2014 on the extension of the government representatives of the Kingdom of Bahrain (nogaholding) in Bahrain Aviation Fuel Company (Bafco) Board of Directors.

9. Resolution No. (6) for the year 2014 on negotiations to form a special committee to consider amending the Development and Production Sharing Agreement (DPSA).

Sixth:

Administrative Developments and Modernization



1. NOGA gets ISO Quality Certification for the second time

The National Oil and Gas Authority (NOGA) got ISO 2008:9001 for a second time, the quality management system certification issued by the DNV company. The certificate is valid for three years, and is in recognition of its commitment to international standards in all departments.

The certificate was presented to Dr. Ahmed Ali Al Sharyan, the Secretary-General of the NOGA by the senior DNV officials on Wednesday, March 26, 2014 in a ceremony held at the NOGA headquarters, attended by senior officials.

On this occasion, the Secretary-General said he was happy about the achievement, which was proof of the NOGA commitment to an effective quality management system in all its operations and services provided to the community. He said he was delighted to receive the certificate, which was the fruit of the efforts of NOGA employees and a result of the significant core operations and responsibilities carried out by the NOGA for all users - domestic or international. He pledged that NOGA would continue to move on the path of excellence for its international customers and the local community with a conviction to achieve its strategic objectives that are in harmony with the Bahrain Economic Vision 2030 and the directives of the wise leadership of the Kingdom of Bahrain, for the benefit of and in the interest of the citizens and the homeland.

2. Staff honoured during Eid Al-Fitr celebrations

Under the patronage of His Excellency Shaikh Ahmed bin Mohammed Al Khalifa, Minister of Finance, Minister in Charge of Oil and Gas Affairs, the National Oil and Gas Authority (NOGA) celebrated Eid Al-Fitr on July 31 at the office of the NOGA, where employees were honoured. The NOGA Secretary-General Dr. Ahmed Ali Al Sharyan, in his opening speech, greeted the employees on the occasion of Eid Al-Fitr and wished them success, happiness and divine blessings.



During the ceremony, Dr. Al Sharyan honoured employees in appreciation of their hard work and positive role in raising productivity in all departments of the NOGA. Staff members expressed their happiness in being part of the celebration and applauded

the keenness of the NOGA senior management in organising such inspiring events, which made work a pleasant family experience and expressed their wish that the Almighty would bring back such happy occasions for everyone's good and spread blessings among all.

3. Adoption of Microsoft technologies for cloud computing

National Oil and Gas Authority (NOGA) and Microsoft Bahrain announced in a joint press statement that NOGA had chosen to move to the IT environment based Microsoft Solutions for private cloud computing (NOGA Private Cloud) to improve the quality of operations, facilitate work flow of the technical team and reduce costs: in infrastructure and specialized applications.

This project is part of the NOGA strategy for infrastructure and information technology upgrade in the oil and gas sector.

NOGA is constantly working to modernize its technical infrastructure to be able to provide better services. For this purpose it has entered into a contract with Microsoft to provide solutions for homogeneous and integrated help to achieve our goals and meet the current business needs, with the scope of future expansion.

Building cloud computing solutions involved using Microsoft Hyper server-V2 2012 and the Microsoft System Centre 2012 by NOGA to better manage technical resources and the technical environment of the NOGA. It would help better manage, control and enhance storage. It would ensure adequate working environment for employees in all departments, taking advantage of information technology.

The server capabilities of Microsoft Hyper-V2 2012 and Microsoft System Centre 2012 enable a mechanized environment for computing, storage, networking and resource sharing to achieve coherence and freedom to redefine work schedule even while travelling.

4. Annual Staff Gathering

NOGA organized its annual gathering for employees on October 23 in order to increase communication and transparency, and in compliance with the fundamental principles of quality systems which depended largely on meeting employee needs and expectations.

Dr. Ahmed Ali Al Sharyan expressed his great appreciation for staff members who retired this year, praising their enthusiasm and infectious work culture that took them beyond the confines of their job roles to contribute in all NOGA goals and programs. He said he was glad to have had worked with such great colleagues who vindicated the NOGA focus on human element, and its key role in the development of the oil



sector in the Kingdom of Bahrain. Dr. Al Sharyan also welcomed new employees and urged them to work in the organization as members of the happy NOGA family, and wished them all success.

5. Bahraini Women's Day celebration

NOGA organized a special celebration to mark the Bahraini Women's Day on Wednesday morning, December 3, 2014, in the presence of Secretary-General Dr Ahmed Ali Al Sharyan, senior officials and NOGA employees, marking the joyful occasion with a one family spirit.

The Secretary-General delivered a speech extending his deepest congratulations to H.R.H. Princess Sabeeka bint Ibrahim Al Khalifa, Wife of His Majesty the King of Bahrain, President of the Supreme Council for Women. He praised her and the leading role played by the Council in the care of women's affairs and for enabling them perform a meaningful role in public life. He also hailed the significant achievements of the Council in the economic and political and social empowerment of women.

At the conclusion of the ceremony, the Secretary-General honoured all women employees in recognition of their service, which was in line with the NOGA goals and programs and for the benefit of the oil and gas sector in the Kingdom of Bahrain. He wished all the NOGA employees career advancement and success in life.



6. Launch of the database related to Strategies and Planning Affairs

The Strategies and Planning Affairs at NOGA inaugurated a data bank and mails backup so as to make it easy to retrieve information about various events and activities. It is aimed to save information securely and provide a backup copy in cooperation with the Department of Computer.

7. Licenses issued

Natural gas licenses

A. Approval was granted for 4 new applications for natural gas to industrial projects after evaluation found them in accordance with the established natural gas models by NOGA.

B. Approval of 3 fuel subsidies for natural gas requests to industrial projects.

Oil licensing

The number of licenses issued by Oil & Gas Affairs for the year 2014: One license for the fuel station and 13 oil licenses.

8. Coordination with government agencies to develop work

A. Steps to stop smuggling of subsidized of petroleum products

NOGA backed action to abort attempts to smuggle 1,143,700 liters of oil products in 2014 with intensified inspections in different areas across the country in coordination with customs department, and carrying out of surprise inspections in some cases to reduce abuses and fuel adulteration to protect the oil and gas quality.

B. Fishermen compensation

The Council of Ministers passed a resolution to implement a decision issued on February 3, 2008 (05-1961) regarding the amendment of diesel prices and increase in the domestic market, taking into account the fishermen sector giving them fuel subsidies so as to avoid any additional financial burden to them as a result of the amendment. This also included the disbursement of compensation to the deserving. The total compensation given during 2014 was BD 457,740.