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Kuwait seeking exploration of north oilfields, says KPC chief

KPC privatization delayed

KUWAIT, July 28, (Agencies): State-owned Kuwait Petroleum Corp. (KPC) wants to achieve a long-delayed project to explore Kuwait's northern oil fields and expand ties with China, its chief executive said in remarks published on Saturday.

The Gulf Arab state appointed Saad al-Shuwayib last week as new chief executive and deputy chairman of KPC, which oversees the OPEC member's upstream and downstream energy industry. Kuwait is the world's seventh-largest oil exporter. In his first public comments since his appointment, al-Shuwayib told KUNA that he wanted to accomplish a multi-billion scheme also called Project Kuwait to explore four oil fields in the north of the country.

The long-term plan with the help of multinational oil companies has met opposition from some parliamentarians. Two years ago, Kuwait estimated the cost of the project at \$8.5 billion.

"I will work to achieve many projects which are on the agenda of KPC's board, among them the northern oil fields project," KUNA quoted him as saying.

Shuwayib also confirmed that the budget for Kuwait's planned 615,000 bpd al-Zour refinery had been increased to \$14 billion, or four billion dinars, more than double an initial estimate of about \$6 billion.

He said the new budget was pending approval by the Supreme Petroleum Council which defines Kuwait's oil policy.

"It has been established that a budget of four billion dinars is appropriate after having reviewed many aspects of the project," the KPC head said, adding earlier cost studies had been only initial estimates.

Kuwait issued a new tender for the project, the Middle East's biggest refinery plan, in June. It cancelled the first tender in February after bids came in far above its initial budget. Bids reached as much as \$15 billion, according to local media reports.

State refiner Kuwait National Petroleum Co (KNPC) said earlier this month around 30 companies have made preliminary

bids for the refinery.

The new KPC head also said he wanted to expand oil cooperation with China but did not elaborate.

Shuwayib, who is until now chairman of KPC subsidiary Petrochemical Industries Company (PIC), had been acting chief executive since Hani Hussein retired at the end of April.

The Gulf Arab state has yet to appoint a new oil minister after the previous incumbent Sheikh Ali al-Jarrah al-Sabah resigned in June after parliament sched-

uled a no-confidence vote against him.

Water and Electricity Minister Mohammad al-Olaam was appointed acting oil minister after Sheikh Ali's resignation.

Kuwait sits on around 10 percent of the world's oil reserves. It produced 2.42 million barrels per day of crude in June, according to a Reuters survey.

The privatization plan for some of Kuwait Petroleum Corporation's (KPC) sectors has been postponed until the National Assembly approves the Privatization Law, said Al-

Shuwayib on Saturday.

"We are following the directives of the Higher Petroleum Council which requested that the plan not be implemented until the parliament approves the Privatization Law," he said in a statement to KUNA.

Al-Shuwayib explained that some sectors, such as gas stations, had been privatized but this had been halted because most of the sectors in question employed a large national workforce for which guarantees needed to be placed before moving forward.