



Press release

Immediate release

1 September 2008

\$300 billion to boost Gulf oil by 10 million barrels a day

Proleads database shows upstream oil projects soaring in value from below \$1.5 billion in 2006 to a 2008 peak of \$30 billion

A massive \$300 billion investment in boosting oil production is underway which could see the Arabian Gulf create a staggering 10 million barrels of crude a day in added capacity by 2015 - more than half from Saudi Arabia alone - according to project research firm Proleads.

"Recent analysis of total global oil production and development projects highlight that world crude production capacity from all sources has the potential to rise from 87 million barrels per day to as much as 108 million by 2015," said Emil Rademeyer, director of Proleads.

"Our analysis shows that if all current projects across the region meet their projected targets in barrels of oil a day, it would mean that by 2015 the hydrocarbon rich countries of the Gulf Co-operation Council (GCC) will be supplying almost half that future added oil capacity," said Emil Rademeyer, director of Proleads.

This important Proleads analysis also reveals that within the GCC countries of Bahrain, Oman, Kuwait, Qatar, Saudi Arabia and the United Arab Emirates approved upstream oil projects designed to either maintain or increase production capacity have soared in value from below \$1.5 billion in 2006 to a 2008 peak of \$30 billion. Across the GCC, Proleads is also tracking a record of nearly 300 active upstream oil projects with a combined value of almost \$300 billion.

"Saudi Arabia is leading the way and would contribute more than half the 10 million barrels a day in added capacity if all projects deliver on target by 2015," Rademeyer added. "Saudi Arabia, with one-fifth of the world's proven oil reserves and some of the lowest production costs has an aggressive energy sector investment initiative."

Between this year and 2009 alone, Saudi Arabia has put in place projects with target added production capacity of more than 1.6 million barrels a day (**see table**). By 2015, projects in Saudi Arabia are targeting 5.2 million barrels a day in added capacity. By 2010, Qatar - richer in gas than oil - is targeting an increase of 1.4 million barrels a day in added production capacity. Projects approved in the United Arab Emirates indicate added oil production capacity of almost 1.9 million barrels a day by 2013.

Current approved projects in Kuwait indicate an increase in capacity of around one million barrels a day by 2011 but this does not take account of expected developments in the country's northern fields which have yet to be approved. Oman, where fields have been depleting, hopes to achieve added capacity of around 460,000 barrels a day by 2012. Bahrain, where oil production has peaked, expects to only increase capacity by 35,000 barrels a day by 2015.

One of the major revelations of this latest analysis of active projects is the continued failure of Iraq to significantly add to its oil production capacity with only an extra 300,000 barrels a day projected by 2013.

"Iraq has the world's third largest proven petroleum reserves but only a fraction of its known fields are in development," said Rademeyer. "Iraq's oil infrastructure is in clear need of massive modernisation and investment and has so far been unable to meet production and export targets."

Not all of this added oil capacity will be exported as crude. "Much will be destined for the booming regional domestic markets where new refinery and petrochemical projects are also at a record level," Rademeyer said. "Clearly, some will also offset declining production in some fields and areas as well as extending the life of existing oilfields. Most of the current projects will use enhanced oil recovery techniques that can suck up 70% of the oil compared with conventional extraction of only around 35%."

Saudi Arabia currently maintains the world's largest crude oil production capacity, estimated to be around 10.5-11 million barrels per day and raised output in July to the highest in more than 25 years. Meanwhile Abu Dhabi, owner of the world's fifth-biggest oil reserves, recently announced it intends raising crude production by 30% in the next two years 3.5 million barrels a day by 2010.

"However growing economic gloom worldwide could put a brake on increasing energy use," warns Rademeyer. "These concerns are shared by some within Opec who think that future demand for oil may not be strong enough to justify the huge investment in boosting production. Algeria's energy minister Chakib Khelil, for example, has talked of 'big uncertainties' about making huge investments in infrastructure to increase output."

Dubai-based ProLeads provides the most up-to-date, accurate and detailed project information across the fundamental industries of civil construction, oil and gas, petrochemicals, power, water and industrial.

Proleads is currently tracking in excess of 5,200 individual projects worth in excess of \$4 trillion across the region in the oil and gas, petrochemicals, civil construction and, power, water and industrial sectors and is the mostly widely referenced database of its kind in the Middle East.

"Our research team tracks down project news in Arabic and English, networking within industry sectors to burrow deep into every aspect of a project," said Rademeyer. The online service allows searches for projects in given markets for all industries or industry sectors for all markets. It provides US dollar values as well as key contact details for all project owners, developers, contractors and sub-contractors.

Rademeyer added: "As well as the Gulf Co-operation Council countries of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates, our database of projects now covers Algeria, Egypt, Jordan, Iraq, Lebanon, Morocco, Sudan, Syria and Yemen."

For more details or to request a free trial, please visit: www.projectsandleads.com

Caption for table:

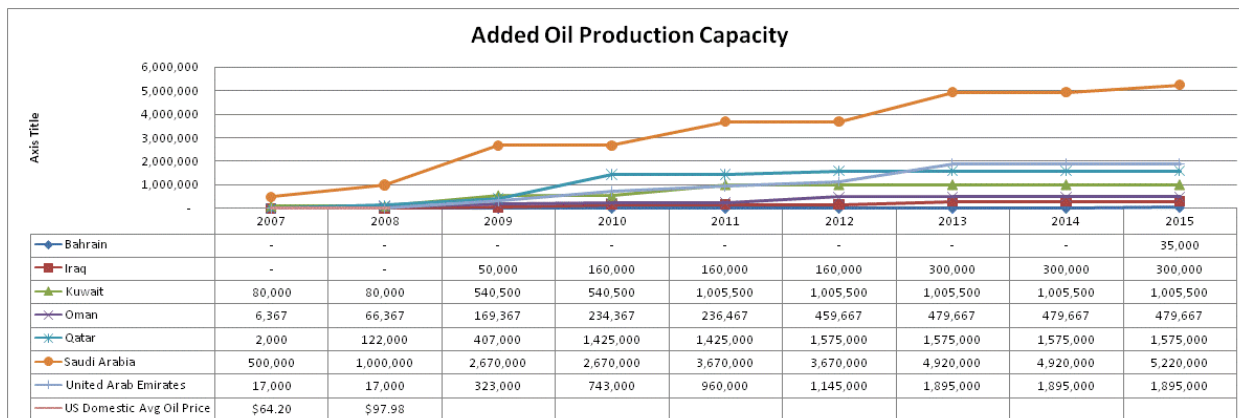


Chart shows added oil production capacity in millions of barrels a day

Source: Proleads

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