



KUFPEC

Kuwait Foreign Petroleum Exploration Co. k.s.c.

A Subsidiary of Kuwait Petroleum Corporation

Explore

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KUFPEC ACQUIRES MORE IN YACHENG, CHINA



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KUFPEC Acquires more in Yacheng, China

KUFPEC subsidiary KUFPEC (China) Inc., has completed the transaction to acquire an additional %15.3 interest in the Yacheng 1-13 natural gas field in the South China Sea, China from BP China Exploration and Production Company for approximately US\$137.4 million.

Commenting on the transaction, KUFPEC's Chief Executive Officer, Shaikh Nawaf S. Al-Sabah, stated "this transaction is one step in KUFPEC's strategy to further expand its oil and gas exploration and production operations in China and around the world. KUFPEC welcomes the opportunity to continue working closely with CNOOC, a reputable operator with whom we have a long-standing excellent relationship."

The Yacheng 1-13 natural gas field was discovered in 1983 and is the largest offshore natural gas producing field in China. The field is located in about 90 metres water depth and is located approximately 100 km south of Hainan Island, in the South China Sea.

KUFPEC has been a participant in Yacheng 1-13 natural gas fields since 1990. Commercial production at Yacheng 1-13 natural gas field started in 1996. CNOOC China Limited has been the operator since 1 January 2004.

The field currently supplies natural gas for power generation to Castle Peak Power Company Limited in Hong Kong via a 780 km under water pipeline. Additional natural gas, condensate and LPG are sold to customers on Hainan Island.

As the prior iteration of this transaction was partially preempted by CNOOC China Limited, post-completion the Yacheng 1-13 natural gas field interests are held by KUFPEC (China) Inc. (%30) and CNOOC China Limited (%70).



KUFPEC shares LNG Best Practices

KUFPEC's Far East and Australia Region (FEAR) on 22nd of December hosted at the company's Head Office a Share Knowledge seminar on KUFPEC's LNG business within KUFPEC's strategic goals and continuous efforts to engage the upstream sector and K-companies and as part of sharing the available technology Transfer Opportunities in our operations.

During the seminar, FEAR held a presentation that covered an overview and outline of the key commercial and legal issues and provisions that need to be identified and considered as part of the LNG Sales and Purchase Agreement. Key topics were highlighted and explored with real life examples arising from KUFPEC's Wheatstone LNG project experience. Special attention was given to the issues and options to be considered and the means to address and mitigate these commercial and legal matters in the sales agreements.

KUFPEC Chief Executive Officer (CEO) Shaikh Nawaf S. Al-Sabah welcomed the seminar attendees, commended, and encouraged such initiatives by the oil sector in making knowledge available, accessible, and shared between the K-Companies. KUFPEC CEO stated "It is the company's desire to ensure such knowledge required by and beneficial to the oil sector is shared and made available and within reach. With over 32 years of experience, KUFPEC international E&P activities complemented by its involvement in many parts of the world and its practical application of the latest technologies available in the market provides for such platform."

The seminar was well received by the large number of attendees with the event concluded in a Q & A session and discussion with action items recorded for future collaboration initiatives and successful implementation.





KUFPEC at KOGS 2013

Under the umbrella of KPC, KUFPEC has successfully participated in the Kuwait Oil & Gas Show and Conference (KOGS) 2013, held in Kuwait between October 7 and 10, 2013 under the patronage of His Highness the Prime Minister Shaikh Jaber Al-Mubarak Al-Sabah with the theme “The Power of Collaboration, People and Technology in the Oil and Gas Industry.”



Mrs. Hosnia Hashim speaking at the conference

KUFPEC’s delegation to the KOGS conference was headed by KUFPEC’s CEO Sheikh Nawaf Saud Nasir Al-Sabah and included Mrs. Hosnia Hashim, Vice President, Operations and Mr. Tariq Ibrahim, Manager, South East Asia Region. KUFPEC’s executive delegates were among the key members of the conference’s various plenary sessions.

KUFPEC’s PR team was also among KPC’s delegation to the 3-day world-class associated exhibition which featured more than 186 companies from 24 countries. Participants included national and international oil companies, country pavilions from France, Iraq, the UK and USA and a host of independent specialized businesses.

The exhibition profile covered all areas of the oil and gas industry including petroleum geosciences, exploration and production in addition to refining and petrochemical products and services. KPC’s large pavilion booth received large crowds of participants and visitors and reflected the size and position of KPC and its subsidiaries in the oil, gas and petrochemicals industries, and depicted the overall development the Kuwaiti oil sector is witnessing as well as the strategic projects that KPC and its subsidiaries are implementing in various fields.

KOGS 2013

The grand event, which was organized by the Society of Petroleum Engineers, brought together a host of high ranking experts and industry figures from the organization for Petroleum Exporting Countries (OPEC), Society for Petroleum Engineers (SPE), diplomats, local and international private oil companies, government officials and KPC and its subsidiaries. Together, the conference and the associated exhibition combined to form the single biggest gathering of the oil and gas industry ever seen in Kuwait.



KUFPEC CEO heads delegation to Pakistan

Shaikh Nawaf S. Al-Sabah, KUFPEC Chief Executive Office headed a high level company delegation to Pakistan early December 2013. Accompanying the delegation was KUFPEC's Vice President for Operations Mrs. Hosnia S. Hashim. During the visit, KUFPEC CEO met with the Pakistan Minister of Petroleum and Natural Resources H.E. Shahid Khaqan Abbasi. The fruitful meeting was focused on areas where KUFPEC would like to



expand in its core business activities in Pakistan such as seeking more opportunities in new and prospective acquisitions and operatorships. During the meeting, Shaikh Nawaf expressed KUFPEC's interest in acquiring additional exploration blocks in Pakistan.

KUFPEC has working interests in major producing gas fields in Pakistan including Qadirpur, Zamzama, Bhit, Badhra and Kadanwari located in the province of Sindh. The Zarghun asset in Baluchistan is currently being developed. The company is also conducting exploration activities in Jati Block where it was working as an operator.



KUFPEC Blood Donation Campaign

KUFPEC on 14 November 2013 organized a blood donation campaign at Head Office under the Theme "SHARE BLOOD to SHARE LIFE" in cooperation with Kuwait Oil Company- Al- Ahmadi Hospital and Central Blood Bank of Kuwait.

Many KUFPEC employees proudly donated blood during the campaign so that they may contribute and become a productive and caring member in their community. During the campaign, employees had the opportunity to have medical examination concerning their health and well-being fitness, while enjoying various exhibition from several supply companies. Additionally, all employees and management was invited to a seminar on Stress Management presented by Dr. Moussa Al-Juwaiser from Ministry of Health and Dr. Entesar Al-Hendal from KOC Hospital.





KUFPEC HONORS Its Very Own

In an event devoted to honoring KUFPEC former Deputy Managing Director for Finance and Administration Mr. Khaled Al-Qaoud, and three KUFPEC former Managers Mr. Ahmad Al-Awadhi, Mr. AbdulRahman Al-Bedaiwi and Mr. Humoud Al-Baloul, the Chief Executive Officer Shaikh Nawaf S. Al-Sabah speaking on behalf of all KUFPEC management and employees, paid tribute to the four former company colleagues in a lunch ceremony held at KUFPEC Head Office auditorium on Tuesday 12 November 2013. Following the CEO's speech the four former KUFPEC colleagues, who were each presented with token of appreciation, expressed in brief speeches their sentimentality and sincere thanks for the company.

In addition to Vice President- Business Development Mr. A.Naser Al-Fulaij, Vice President – Operations Mrs. Hosnia Hashim, Vice President – Finance and Administration Mr. Mohammed Al-Ghanim, the event was attended by all KUFPEC employees who personally greeted and welcomed Mr. Al-Qaoud, now the Deputy Chief Executive Officer in Kuwait Oil Tanker Company (KOTC), Mr. Abdul Rahman Al-Bedaiwi now heading a new career path in law and Mr. Humoud Al-Baloul. Mr. Ahmad Al-Awadhi unfortunately was unable to attend the event due to previous engagements.

KUFPEC takes this opportunity to wish Mr. Al-Qaoud, Mr. Al-Awadhi, Mr. Al-Bedaiwi and Mr. Al-Baloul all the best in health, wealth and prosperity in their new and hopefully bright future ahead of them.





KUFPEC Holds 2013 Employee Town Hall Meeting

On Monday, 16 December 2013, KUFPEC management invited all KUFPEC employees to the 2013 Town Hall Meeting at the Head Office ground floor lobby. The meeting kicked-off with a recognition ceremony presented by KUFPEC Chief Executive Officer (CEO) Shaikh Nawaf S. Al-Sabah honoring KUFPEC employees with sons and daughters achieving 2012-2013 academic excellence. KUFPEC CEO then expressed his gratitude for all those attending the town hall event and presented a clear overview of the current state of the company and its future plans.

A Question and Answer session followed between employees with inquiries and management represented by CEO Shaikh Nawaf S. Al-Sabah, Vice President for Operations Mrs. Hosnia Hashim, Vice President for Business Development Mr. A.Nasser Al-Fulajj and Vice President for Finance and Admin Mr. Mohammed Al-Ghanim. The event was concluded with a fun filled quiz question required to team up with the employees in their table and the winners receiving valuable prizes for everyone, followed by an outdoor BBQ lunch.





“Birds of Kuwait” now available online

“Birds of Kuwait” is now available online for all to experience and enjoy. The release of the online copy of KUFPEC fully sponsored “Birds of Kuwait” publication is a first of its kind dedicated to the Arabian Gulf! A comprehensive visual guide that demonstrates the avifauna of Kuwait, It features all 407 species either residing or visiting the country during migration seasons.

This online copy will be available for everybody in the form of a dedicated website “www.kuwaitbirds.org”, eBook, Apple iPhone App as well as Android App., Enabling everyone from the Kuwait birders to the general public to enjoy, discover and access all local and migratory birds in Kuwait.

The website will provide over 1,500 outstanding photos by 43 local and International photographers that capture each bird in its splendor, while an easy user interface allows the visitor to explore by common, scientific and Arabic names. Only one-click to browse through photos, email sharing with friends or to spread awareness are just some of the exceptional features available in the website.



KUFPEC CEO and KPI President Receive Harvard Business School students at KUFPEC Head Office

KUFPEC Chief Executive Officer Shaikh/Nawaf S. Al-Sabah along with Kuwait Petroleum International (KPI) President Mr. Bakheet Al-Rashidi, accompanied by engineers Tareq Ebrahim, Manager, South East Asia Region and Mohammad Al-Maraghi, Acting Manager, Far East & Australia Region, received on Monday 6 January 2014 at KUFPEC Head Office a group of Harvard Business School students visiting Kuwait as part of their academic program providing them with the opportunity to get fresh global perspectives and learn firsthand about the various industries and national economies.

The prestigious Ivy League school students have met with various executive managements from companies, institutions and ministries during their international visit to the region.

During the meeting, Shaikh Nawaf, KUFPEC CEO and a Harvard Law School graduate himself, and Mr. Al-Rashidi, KPI president, personally provided the Harvard students with an overview of the history, achievements and future plans of both KUFPEC and KPI. Following the presentations made by both executives a question and answer session and discussion was conducted and later concluded during the one hour event.





KUFPEC launches its new Cloud Portal

KUFPEC recently unveiled its new and collaborative Cloud Portal, a multi-feature, sharing, storing and simple work service (solution) which enables employees to connect with each other across KUFPEC, engage with people, share ideas and reinvent the most efficient way for team-work.

The Corporate Planning Department – IT Infrastructure & Communication Support Division on 27 November 2013 announced the launch of KUFPEC's new Cloud Portal replacing the old Intranet Site. The New KUFPEC Cloud portal has many features that include but not limited the Portal such as being based on Cloud Infrastructure, the fact that make the Portal available to all employees outside KUFPEC building. Area Offices now have their own Sites, Files can be synced to the local PC and worked on offline, then synced back when internet is available. Other features such as documents sharing is easier and can be completed from the employee side, no help desk staff required, search is more powerful and comprehensive, with search within word, PowerPoint, excel and PDF documents across all departments. The features don't stop here, additional features also include Project Sites can be created in minutes to track all deliverables and make sure that deadlines are met, Find employees not only by names but by expertise to help you get the job done effectively. More feature such as Turn raw data into interactive reports by linking live excel sheets to charts, On the Go: Available also as a mobile site, a much more touch friendly site appears when you visit the portal from a mobile phone or tablet, in addition to many more new, available and useful features.

VAT



KUFPEC Joins KPC and K-Companies in launching VAT Refund Scheme

“VAT stands for the value added tax. VAT is a type of consumption tax that is placed on a product or service whenever value is added at stage of production/service provided at the final sale. Value added tax (VAT) is most often used in the European Union. It is widely estimated that every year businesses worldwide incur \$ 8-10 billion of VAT which they should be entitled to recover... KPC and its subsidiaries are among of these businesses”

KUFPEC recently joined KPC and K-Companies in launching the value added tax (VAT) scheme after signing a partnership agreement with the global Taxback.com company to provide the services of value-added tax (VAT) recovery on the activities of KUFPEC and the official trips and training courses of employees.

To shed more light on this project, KUFPEC’s EXPLORE e-newsletter met with Mr. Waleed Al-Ben Ali, Manager-Commercial who represents KUFPEC at the oil sector’s main committee responsible for the implementation of the VAT refund scheme project.

Mr. Al-Ben Ali started by saying that Taxback.com will identify, process and substantiate VAT refund claims and facilitates the entire VAT recovery lifecycle, including eligibility analysis, invoice retrieval, refund processing improvement and dispute resolution, adding that signing this agreement will help KUFPEC to collect its dues, reduce expenditure.

“The implementation of the VAT refund scheme will be done into two stages. First stage will be corporate VAT refund, while the second stage will be employees VAT refund (Business Trips)” Mr. Ben Ali explained.

“Two sub-committees had been formed to help bringing this project to light in the desired manner; The VAT Scheme Implementation Committee, led by Ms. Khuloud Al-Qadeeri -KPC with Mr. Qais Al-Shatti, Assistant, Treasury & Marketing representing KUFPEC and The VAT Awareness Committee led by Ms. Reem Al-Jassim -KPC with KUFPEC being represented by Ms. Mai Al-Qandi, Officer II, PR & Services Department” Al-Ben Ali added.