Chairman’s Message

KUFPEC’s continuous success and march towards a prosperous future, due to the great efforts contributed by all of our employees, lead the company its production that is now underway in our “Oseil” oil field in Seram Island, Indonesia. The project that would have been unable to see the light of day had it not been for the perseverance of the company employees who were willing to face any and all challenges and difficulties from the high sulfur low API heavy crude oil production and the operation area that is located in the middle of a forest on a remote Indonesian Island to locating an appropriate marketing window for our production. In addition, we mustn’t forget the company’s enormous efforts in Australia in cooperation with our other business partners, we were able to seal a gas sales agreement contract from our Harriet concession for the next 20 years.

KUFPEC recently expanded its gas portfolio by increasing its shares in the Qadirpur production concession in Pakistan, acquiring additional 8.5% above its already 4.5% interest. KUFPEC’s outstanding 2002 performance makes us await a happier New Year.

KUFPEC Commence
Indonesia’s Oseil Crude

Production commenced in KUFPEC’s Oseil field, onshore Seram Island in Indonesia. The first phase development of Oseil field has commenced with the lifting of crude from Seram Island in January of this year, the buyers were British Petroleum (BP). The initial output of the Oseil field is 8,000 barrels per day (BPD) of crude with average production expected to reach 12,000 BPD.

Oseil field is expected to produce 16-degree API heavy crude with 5.5% sulfur content. Oseil’s second phase development is expected to commence in 2004 resulting with an estimate increase in production to 23,000 BPD by 2006. An 800-km seismic acquisition will be conducted for the 2004 exploration campaign in Seram Non-Bula PSC block by 2003. KUFPEC’s working interest in Seram Non-Bula PSC is 97.5% and Kalrez Energy Limited of Australia holds the remaining 2.5% interest.

Post Eid
Gathering

KUFPEC employees gather for a luncheon in the company’s cafeteria on their first day to work after the Eid El-Feter holiday. The gathering was attended by all KUFPEC employees and management expressing best wishes to each other on this holiday occasion.
OPEN FORUM

A case study for you to consider, if you should have any comments about this case study please feel free to e-mail them to Alia Al-Bustan at abustan@kufpec.com.

Tough but Fair
Steve is a Field Foreman for an oil company, and he is known as a tough and productive, but fair foreman. When he evaluates employees, he gives nothing away. He applies strict standards of achievement and attempts to be brutally accurate in pinpointing an employee's strengths and weaknesses. Consequently, his employees consistently receive lower evaluations that those of other foremen. Production Manager Ali is aware of Steve's tough-mindedness in evaluations and makes allowances for this when reviewing the evaluations which come in from his foremen. In his evaluation interviews with employees, he assures them that their work record is not damaged by Steve's evaluation practices because he (Ali) "makes allowances." Some employees have objected that if they were to leave the oil company, the record they would take with them would not be as good as it should be because of Steve's evaluations. Some have also pointed out that a new Production Manager might replace Ali and that the new manager might not "make allowances." Your comments?

KUFPEC Visits Moscow

KUFPEC, after receiving instructions from the Kuwait Oil Minister, sent a company delegation headed by the EAMD - C.O.O. Mr. Abdullah M. Barouq to pay a visit to Moscow to meet with Russian Minister of Energy, Russian oil companies, and other Russian officials. The purpose of the visit was to find cooperation and prospective investments for KUFPEC in Russia. KUFPEC management considered the visit to be fruitful. The rest of the KUFPEC delegation consisted of Mrs. Sara Akbar, Manager for New Business Development, and Dr. Abdul Saleem Al-Bahbahani, Manager - Far East Region. KUFPEC would like to express its appreciation to the Kuwait Embassy in Moscow for their effort and cooperation during the 6-day visit.

Farewell Alan Jones

The company and Finance Department bid farewell to Mr. Alan Jones, KUFPEC Financial Advisor. Mr. Jones had served the company for many years in the Finance Department and decided to return to his homeland, England. Several gifts were presented to Mr. Jones by the company.

PROFILE
OF THE
QUARTER

Name: Ichsan Samiron
Date of Birth: 31 March 1971
Marital Status: Married with 1 son
Qualification: H.R. and Acting Service Officer, KUFPEC Indonesia Ltd. (KIL)
Job Title: Master of Business Administration
Mentor: Parents
Hobby: Bowling, Karate, Internet
Favorite Quote: "Be the best"
News from the Operations

Three Time’s A Charm

KUFPEC and its co-venturer IEOC (A subsidiary of ENI) discovered gas for the third time in its North Bardwile concession located in the north of the Delta in Egypt. The new gas discovery “Zaraf-1 makes it the third immediately after the Asad and Fahad gas wells in the same concession. KUFPEC and IEOC are currently evaluating the magnitude of the three discoveries and are assessing proper development plans.

KUFPEC’s New Pakistan Acquisition

KUFPEC recently acquired an additional 8.5% interest to its already existing 4.75% interest in Qadirpur petroleum concession in Pakistan. The acquisition is a further addition to the company’s interest in Premier-KUFPEC-Pakistan (PKP) with good production potential and further upside potential.

SPE International Award

Mrs. Sarah Akbar, Manager New Business Development received the distinguished member award September of last year from the Society of Petroleum Engineers (SPE) in the United States.

Congratulations

Ali Al-Haider technical assistant with the South East Asia region married in 21 November 2002. KUFPEC would like to wish him all the best in his new life.

NEW KUFPEC EMPLOYEES

<table>
<thead>
<tr>
<th>Name</th>
<th>Designation</th>
<th>Office</th>
<th>Employment</th>
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<tbody>
<tr>
<td>Harry E. Saul III</td>
<td>New Business</td>
<td>Kuwait</td>
<td>10 Nov. 2002</td>
</tr>
<tr>
<td>Stephie B. Reinberg</td>
<td>Development Advisor</td>
<td>Kuwait</td>
<td>01 Dec. 2002</td>
</tr>
<tr>
<td>Erida Dieron</td>
<td>Executive Secretary</td>
<td>Kuwait</td>
<td>07 Jan. 2003</td>
</tr>
<tr>
<td></td>
<td>Administrative Assistant</td>
<td>Kuwait</td>
<td></td>
</tr>
</tbody>
</table>
خبراء في العمليات

اكتشاف لغاز في مصر

اكتشفت كوفيتك وشركاؤها (فروع من شركة IEOC) غاز شمال حقل الرداميل الواقع في شمال دلتا النيل في جمهورية مصر العربية. ويعد هذا الاكتشاف (الıyorum) الثالث لغاز في نفس الحقل، وتشجع كوفيتك حالياً بذلك على purchase بقيمة ثلاث اكتشافات، وتحديد الخطط التطويرية.

مشروع باكستان الجديد

تمت زيادة حصة كوفيتك مؤخراً في مشروع قادر بور في باكستان إلى 25.5% بعد أن كانت 24.5% على طريق مشاركتها مع Premier - KUFPEC - Pakistan. وتمت هذه زيادة بعد إضافة جديدة لحصتها في باكستان مع توقعات زيادة انتاج النفط.

هيئة تقديرية من جمعية مهندسي البترول

حصلت السيد / سارة أكبر، مديرة تطوير المشاريع الجديدة على هيئة تقديرية من جمعية مهندسي البترول في الولايات المتحدة في شهر سبتمبر من العام المقرر. تuyết لجهودها ك워ظه في الجمعية.

الموظفون

كويفيك الكويت

المكتبة الترجمة

الإسم

الوظيفة

هاري ساحو

مستشار للإدارة تطوير المشاريع الجديدة

2003/11/10

سرتيفي راينبيرج

سكتراة تنفيذية

2002/12/31

فloi ديرتران

مساعدات ادارية

2003/1/17

مجهودات

صباح/ حيدر

من إدارة اللقاح جنوب شرق آسيا

1/0

11/2002

2003/12/31

4/10/2003

10/10/2003

11/10/2003

2003/12/31

12/12/2003

1/1/2004

1/1/2004

1/1/2004

1/1/2004

1/1/2004

1/1/2004

1/1/2004

1/1/2004

1/1/2004
رسالة رئيس مجلس الإدارة

إن نجاح كوفيدب المستمر نحو مستقبل أفضل / مشروط يعود إلى عملنا الدؤوب لواجهة التحديات مستمثلاً بنجاح العامين فيهما وخلاصهم للعمل. حيث أثرت هذه الجهود بنجاح مشروع نجاح النفط في حقل أوسيل في إندونيسيا. وعود الفضل لنجاح هذا المشروع الذي لم يكن سيجري النورة للعربية والإدارة التشوبية للعاملين في الشركة.

بدرناصر الخشت
رئيس مجلس الإدارة والعضو المنتدب

افتتاح لوظفي الشركة
بعد عيد الفطر

هجمت الشركة حفل افتتاح لوظفيها في كاظمها الشركة بعد عيد الفطر حيث تبادل الوفد الشهابي بعيد الفطر وهمت إدارة الشركة الموظفين بهذه المناسبة.

إنتاج النفط الخام
في حقل أوسيل في إندونيسيا

بدأ انتاج النفط الخام والمرحلة الأولى لتطوير حقل أوسيل الواقع في جزيرة سيرام British Petroleum في إندونيسيا في شهر يناير من هذا العام. وقد قامت شركة البترول والثروات بالناءول في الأشهر الأولى للدبلوم في البحر من النفط الخام مع توقع زيادة إلى 12،000 برميل في اليوم.

ومن التوقع ان ينتج حقل أوسيل من النفط الخام ثقيل كثافته النوعية 12 درجة بنسبة 5.5% من الكبريت.

وستبدأ المرحلة الثانية من تطوير الحقل في عام 2004 بانتظار متوسط لـ 2،000 برميل في اليوم بحلول عام 2006.

كما سيبدأ مسبح رياضي لمساحة 800 كيلو في العام الحالي استعدادا لحالة الاستثمارات لعام 2004 في قطاع Non Bula 200 في جزيرة سيرام، وللجدول بالذكر ان خصص كوفيدب في قطاع Non Bula هي 87.0% و 20.5% الأذن لـ Kalrez Energy Ltd.