KUFPEC Completes Acquisition of Interest in Liquids-rich Duvernay Shale in Alberta, Canada

KUFPEC Canada Inc. has recently completed the acquisition of a 30% interest in the Duvernay formation in approximately 330,000 net acres of Chevron-operated leases in the emerging liquids-rich Kaybob area of Alberta, Canada.

Commenting on the transaction, KUFPEC Chief Executive Officer Shaikh Nawaf Saud Al-Nasir Al-Sabah stated: “KUFPEC is delivering on its strategic targets. This project will provide diversified, material, long-life reserves, production and upside in a low-risk business environment, with strong and stable cash flows for decades to come. We are securing the future of the company.”

This transaction, which will be KUFPEC’s first investment in North America, provides KUFPEC with the opportunity to develop shale technology with a world-class shale operator. Transfer of knowledge and skills to the Kuwaiti oil sector will be driven by Kuwaiti staff working with Chevron on the project in Canada.
KUFPEC has signed a Memorandum of Understanding (MOU) with PMI Comercio International S.A de C.V. (PMI), one of the international group of companies of Petróleos Mexicanos (PEMEX). The MOU sets the ground for cooperation between the two companies in the evaluation and pursuit of mutual business opportunities in the field of new investments for the exploration and production of oil and gas in Mexico and worldwide. The MOU was signed in the Mexican capital Mexico City, by KUFPEC CEO Shaikh Nawaf Saud Al-Nasir Al- Sabah and PMI CEO Jose Manuel Carrera Panizzo. PEMEX CEO Emilio Lozoya Austin attended the signing ceremony. Commenting on the sideline of the signing ceremony, Shaikh Nawaf stated that “the step KUFPEC is taking into Mexico is fully consistent with KUFPEC’s plans to achieve our 2030 strategic objectives and comes as a result of the recently enacted energy reform in Mexico. We are looking forward to cooperate with our friends in PEMEX through the first joint project between oil companies of Mexico and Kuwait.” PMI is the international group of companies of Petróleos Mexicanos. It is responsible for trading crude oil, petroleum products and petrochemicals worldwide, with operations in over 20 countries. It also operates midstream assets in Mexico and the United States and has extensive long-term business relationships with major oil and midstream companies around the world. www.pmi.com.mx.
KUFPEC Acting Chief Executive Officer and Vice President for Finance and Administration Mr. Mohammed Al-Ghanim headed the KUFPEC team during a high level Tajikistani delegation visiting KUFPEC H.O. headed by Mr. Akhmedov Nurmahmad the Director of State Reserves of the Republic of Tajikistan in addition to the Ambassador of the Republic of Tajikistan H.E. Mr. Zubaidulloev Zubuaidullo and the Assistance to the Director of State Reserves Mr. Shuhrat Olimov. The Meeting covered three main topics consisting of a KUFPEC invitation from the Tajikistan delegation for Oil and Gas investment opportunities in Tajikistan, study mutual opportunities benefit in Oil and Gas sector and the overview of KUFPEC operations, strategy and portfolio. The fruitful meeting was concluded with a group photo for both the Tajikistan and KUFPEC delegation.
As per the tradition, Society of Petroleum Engineers (Pakistan) and Pakistan Association of Petroleum Geoscientists (PAPG) jointly organized the Annual Technical Conference in Islamabad. Over years, ATC has assumed immense significance for the upstream Oil and Gas Industry and is considered an important annual technical event. This year more than 1000 delegates comprising of research scholars, professionals, students, academia and industry managers within country and abroad participated in a two-day ATC. The ATC remained fairly eventful for KUFPEC Pakistan in terms of its active participation throughout starting from planning, organization to successful conclusion. Shahid Salim Khan, Country Manager, and Syed Afraz Haider, Chief Petroleum Engineer, KUFPEC Pakistan were the key members of the Executive Committee for ATC 2014. Shahid Salim Khan in capacity of Chairman, SPE Pakistan Chapter Co-chaired the ATC inaugural session; where Abid Saeed, Secretary Petroleum and Natural Resources was the Chief Guest. In addition to above, KUFPEC Pakistan presented four technical papers; Economic Feasibility of Developing Shale Gas in Pakistan; Effect of Salinity on Water-flooding of Petroleum Reservoirs, Linear Mathematical Model Developed from Statistical Methods for Predicting Permeability from Porosity and the Igneous Intrusion and Its Impact On Petroleum Play Of Lower Goru Formation In Jati Blok, Southern Indus Basin, Pakistan.
“KUFPEC China” has recently signed three Production Sharing Contracts (PSCs) covering three new exploration blocks located in the South China Sea adjacent to the Yacheng pipeline. In the event of a commercial discovery in any of the new exploration blocks, KUFPEC China will have a 30% working interest in the development of such a discovery. The remaining working interest will be held by the operator, a subsidiary of China National Offshore Oil Corporation (“CNOOC”). These new exploration activities in the People’s Republic of China are further steps taken by KUFPEC as part of its strategy to expand its oil and gas exploration and production operations worldwide. KUFPEC Chief Executive Officer Shaikh Nawaf S. Al-Sabah stated: “Our new exploration licenses allow us continue to work with CNOOC to take full advantage of our excellent working relationship in the Yacheng Field in the South China Sea, where KUFPEC China holds a 30% working interest.” Production from the Yacheng offshore gas field has been supplying natural gas for power generation to Hong Kong via a 780 km pipeline since 1996. Additional natural gas, condensate and LPG are sold to customers on Hainan Island.
Petrofac, the operator for Malaysia’s Block PM304, conducted a series of technical road shows with each joint venture partner and the Regulator, commencing from early October. The objective of this roadshow/workshop is to seek joint venture partners’ alignment on the proposed work program to further develop Cendor Field and to share results of the latest appraisal drillings. Recently, it was KUFPEC turn to host the workshop, which was attended by SEAR Manager, Mr. Syed Bokhari and all its staff. Petrofac was represented by its New Field Development Team, headed by Mr. Harvey Phillips. The workshop was opened by Mrs. Hosnia Hashim, KUFPEC’s Vice President of Operations and the scene was set with the presentation by Mr. Gavin Graham, Petrofac’s Vice President of New Business.
As part of its policy of encouraging and supporting the various worthy industry-related activities and events held by professional institutions of society, KUFPEC recently provided support for the 2014 International Heavy Oil Conference and Exhibition organized by the Society of Petroleum Engineers (SPE) in Kuwait under the patronage of H.E Dr. Ali Saleh Al-Omair, Minister of Oil and Minister of State for National Assembly Affairs.

KUFPEC’s contribution to this highly professional forum was manifested both through positive participation as well as providing the required funding of US$ 12,285 covering the cost of 400 books, 70 energy 4me kits and Science Teachers workshop hotel expenses. The books and other instructional materials were distributed for participants in the two associated activities held on the sidelines of this event; The Education Day targeting high school students and The Science Teachers Workshop designed to educate teachers about the energy world.

Themed “Heavy Oil Innovations Beyond Limitations,” the 2014 SPE International Conference and Exhibition presented a great opportunity for all oil and gas professionals to learn more about the dynamic sector of heavy oil. The conference focused on the significant improvements and innovation in heavy oil exploration, development, production and marketing, both in well-known areas and remote onshore and offshore regions, while the exhibition featured the latest in technology, services, hardware and equipment.
In line with KUFPEC management’s firm belief in the importance of open and interactive communication between management and the employees on a periodic basis, KUFPEC recently held its annual “Town Hall” meeting at KUFPEC Head Office. The business-review meeting, led by KUFPEC CEO Shaikh Nawaf Saud Al-Nasir Al-Sabah together with the rest of the Executive management members, provided an opportunity for KUFPEC employees and management to interact in a casual gathering.

The meeting started with a welcoming speech by Shaikh Nawaf in which he briefed the audience about KUFPEC achievements and the success KUFPEC has witnessed in recent months and thanked each and everyone for their contribution and hard work without which the company would not have witnessed such progress.

Following that, the floor was open for an interactive and informative questions and answers session followed by quiz raffles, distribution of prizes to winners before sharing lunch.