WHEATSTONE - DOMGAS COMMERCIAL START UP
KUFPEC’s Far East Asia Region (FEAR) declared that the Domestic Gas Plant for the Wheatstone Project commenced commercial production on Tuesday 5 March 2019, after reaching Start-up status in December 2018. The Domestic Gas Plant represents the completion of Wheatstone Project eight-year construction and commissioning activities. KUFPEC commenced supply of domestic gas to six customers and will be ramping up to full supply over the next several weeks. This is a major milestone for KUFPEC and delivers on the strategic objective is to grow reserves and production.
SEAR KICKS OFF ITS FIRST
BONDING, LUNCHING AND LEARNING
EMPLOYEE ENGAGEMENT EVENT

As part of Employee Engagement led by SEAR Manager Bader Al-Matar, SEAR kicked off its First Bonding, Lunching and learning event on 19 February 2019 in Shaikh Jaber Al-Ahmad Al-Sabah Auditorium with the participation of Executive, Senior Management and some honorary guests. The employee engagement initiative focused on building and enhancing our team culture, strengthening our communication and partnership with other departments and learning opportunities. This will be a monthly event in which SEAR will invite one department to participate in each subsequent month with the goal of involving all departments throughout the year.
KUFPEC SEAR declared the completion of spudding Paharpur-X1 well in Pakistan on 12 March 2019. The target depth of the well is 3000 meters with Cambrian Khewra Sandstone primary objective and Permian and Pre-Cambrian secondary objectives.

Paharpur Block covers an area of 2260.79 Km2 and is located in the D.I. Khan and Tank districts of Khyber Pakhtunkhwa and Bhakkar district of Punjab. Geologically Block lies in Middle Indus Basin, south of Trans Indus Ranges and east of Sulaiman fore deep.
A Crisis and Emergency Management workshop was conducted at Pakistan Area Office (AO) on 13 February 2019. KUFPEC HSSE teams from Head Office (HO) and AO attended the workshop which aimed to identify the communication and recommendations of bridging gaps in the event of a crisis during drilling of Paharpur X-1 well. A presentation was given on existing Crisis and Emergency Management Procedures and practices at KUFPEC’s AO and reporting protocol in case of a crisis by Pakistan AO. It was agreed that AO system is mature and has been tested during the last five years in addition to conducting mock exercises for different possible scenarios.

Considering possible emergencies and crisis during drilling operations including well blow out and security related situation, timely communications, coordination and response from KUFPEC HO team is essentially required to minimize losses and for early recovery to protect KUFPEC’s reputation and most importantly lives. Mechanism of effective communication between HO and AO is to be clearly defined during crisis. It was concluded that clear communication protocol as part of Crisis Management Plan should be in place at HO to support Pakistan AO in case of crisis during drilling operation.
KUFPEC AUSTRALIA PRESENTATION ON

“EMERGING TAX OVERVIEW – COMPLIANCE IN THIS NEW LANDSCAPE”

As part of Commercial Department (CD) drive to increase awareness about the latest trends and updates on tax in Australia, a presentation by Ms. Carol Hanbury, Senior Tax Officer from Australia AO, on Emerging Tax Overview – compliance in this new landscape, was organized. KUFPEC’s CD made use of the HO visit of Australia AO team to apprise the concerned departments including Finance, Planning and Legal, about the new developments in the tax field in Australia which may have an impact on KUFPEC’s future expansions and acquisitions. Several acceptable lawful methods to mitigate the impact and be future ready were presented and discussed during the session. In the meantime, insightful questions were raised by attendees that have been adequately addressed.
Two-day Risk assessment workshop was organized by KUFPEC AO, in Pakistan, on 11 and 12 of February 2019 for the upcoming drilling operation at Paharpur. The HSSE Risk Assessment workshop was held for the first time in the E&P sector of Pakistan where KUFPEC took the lead adopting a risk-based approach. Drilling contractor and drilling services contractors and KUFPEC Pakistan AO management team attended the workshop. Management of contractor companies participated with their HSE and security team as well.

HSSE team from KUFPEC HO also participated and added value to the risk assessment. Ali Taha Al-Tamimi, Country Manager - Pakistan, opened the session and welcomed the participants. Shayma Amin, Acting Team Leader Quality Control and HSSE at KUFPEC HO, communicated KUFPEC’s expectations from contractors during the drilling operations and KPIs of the drilling project were shared with the contractors by the Drilling Manager of KUFPEC Pakistan. Mohamed Musa, Senior HSE Specialist at KUFPEC HO was the technical facilitator and moderator for the workshop.

The 1st day of workshop was dedicated to project HSSE risk assessment where Drilling contractor (CCDC), drilling services contractors including Schlumberger, Weatherford, Baker Hughes, Eastern Testing Services and Sprint Oil Tools presented HSSE risk assessments. Risks were reviewed in detail; additional controls were recommended by the participants where required and mitigation measures were agreed to reduce the risk as low as reasonably practicable. The 2nd day of the workshop addressed operational risks where contractors presented risk assessment related to their services. Participants provided inputs to make the risk assessments comprehensive. It was agreed that a consolidated Risk Register shall be developed and signed by all contractors including KUFPEC.

The Workshop was concluded with closing remarks of Pakistan's Country Manager, reiterating KUFPEC's expectations to carry out the drilling operations on time, within budget, without losses and in safe manner. However, a detailed Risk Register developed for onshore drilling operation by Pakistan AO shall be shared as a best practice with other KUFPEC AOs.
KUFPEC Winner in Think “K” Event

KUFPEC was recognized as one of the winners in Think K – Process Safety Community of Expertise Event and was awarded a Best K-Company initiative in the area of Process Safety Management. The event was sponsored by Kuwait Oil Company (KOC) held at Ahmadi Tent on 30 January 2019. It was attended by CEOs/DCEOs, Management, and employees of Kuwait Petroleum Corporation (KPC) and its subsidiaries. KUFPEC's submission was presented by Mr. Abdullah Al-Shoraian (Senior Petroleum Engineer for KUFPEC’s South East Asia Region) and supported by Mr. Hanafi Younes (Senior Specialist Facilities Engineer for KUFPEC’s Technical Support). There were over 35 submissions from all K-Companies but only four were selected for presentations.

KUFPEC used the opportunity to emphasize that this initiative is in line with its 2040 strategy to maximize the value of its assets, practice NOJV influence and to become a partner of choice. The initiative also showcased KUFPEC’s efforts in enhancing Kuwait’s image in the oil and gas industry. Furthermore, it was a great achievement for KUFPEC to be recognized for its technical aptitude among its sister K-Companies.
KUFPEC’s Corporate Planning Department facilitated a presentation on “Market Outlook” at KUFPEC HO on 25 March 2019. Ms. Naila Baqer from Kuwait National Petroleum Company (KNPC) Manufacturing and Optimization Group (MOG) delivered the presentation that highlighted various oil and gas related issues such as Crude Oil Forecast, Refining Margins Forecast, International Maritime Organization (IMO) 2020 and Liquid Naturalized Gas (LNG) Price/Market Insight.

Ms. Baqer discussed other issues in her presentation concerning the future of oil and gas, mainly the growth of liquids demand until 2035 in addition to the influence of the expansion and effects of the electric vehicles industry on the oil market beyond 2025. Concluding the presentation, Ms. Baqer responded to a series of questions asked by KUFPEC employees attending the presentation.
KUFPEC Celebrates National/Liberation Day

KUFPEC Head Office and Area Offices celebrated Kuwait 58th National / 28th Liberation Day and the 13th anniversary of assuming power by His Highness the Amir of Kuwait Shaikh Sabah Al-Ahmad Al-Jaber Al-Sabah. The company head office was decorated with the colors of our beloved Kuwaiti flag beside images of our country’s beautiful historic and modern landmarks.

As part of our overseas ceremonies, KUFPEC Canada sponsored Kuwait’s National/Liberation Day event held by the Embassy of Kuwait in Ottawa, Canada. KUFPEC welcomed all the attending prominent government officials and leaders during the event.

KUFPEC Pakistan established a booth at Islamabad Serena Hotel to enhance KUFPEC’s presence and answered all visitors’ queries about KUFPEC. A documentary video “Energizing Our Future” was also displayed on a big screen installed at the KUFPEC’s booth. The guests were given KUFPEC’s carry bags containing annual report, polo shirt, cap, diary and a desk calendar.

KUFPEC Norway held an annual celebratory lunch to mark the occasion of Kuwait National/Liberation Day and invited expat families to attend and contribute to the festivities as well.
KUFPEC Commercial Department organized a workshop under the theme “START” at Head Office Jaber Al-Ahmad Auditorium on 7 February 2019. The stimulating workshop was presented by the speaker Mr. Zakariya Ibrahim who provided a workshop on practical steps that lead to success while maintaining a healthy and happy lifestyle during this journey.

The “START” workshop also highlighted the need for developing personal relationships as well as maintaining and acquiring healthy psychological wellbeing and the sense of responsibility and commitment towards the future.

All activities practiced in the workshop were based on teamwork that aims to develop skills, solve problems and enhance cooperation among the team-members in order to achieve the desired goals of proficiency and efficiency.
KUFPEC staff participated in the SPE Heavy Oil Conference & Exhibition (HOCE) Field Trip to Jal Al-Zour, where outcrops of the rocks which form Mutla Ridge are parallel to subsurface heavy oil reservoirs in northern Kuwait.

The trip was led by Shell and KOC experts who presented to attendees a wide range of disciplines to enhance their experiences. This review of ‘hands on’ geology gave insight to reservoir and non-reservoir quality and variation in Kuwait’s heavy oil fields, and provoked constructive discussions of how to represent complex geology with digital models, and how to place steam injector wells to produce heavy oil.
FEAR hosted a technology transfer session presented by Woodside Energy (JV Partner), the operator of Julimar & Brunello gas fields, on 4 March 2019. The technology transfer initiative focused on the new leading-edge dual zone well technology being implemented for Julimar Second Development Phase. This session played a significant role in sharing new key technology options between KUFPEC and KPC subsidiaries.
FEAR hosted Wheatstone Joint Venture delegations comprising representatives from Chevron, Woodside, PE Wheatstone, and Kyushu. The three-day event included a day of Operating Committee Meetings at KUFPEC Head Office where presentations were provided by the QA Department and Corporate Planning. Various field trips were performed to KOC & KIPIC. This gave our JVPs an opportunity to learn more about KOC and the history of oil & gas in Kuwait through visiting Ahmad Al-Jaber oil & gas exhibition center beside the technical presentation that was submitted by KOC about Integrated collaboration system. The second visit occurred at KIPIC’s under-construction site of Al-Zour refinery.

This event allowed KUFPEC to demonstrate the capability and resources available across the K-companies to make significant value addition to our partners and projects. Various follow up initiatives and constructive discussions have been held with several of our joint venture partners following the visit.
KUFPEC hosted a delegation from China National Offshore Oil Corporation (CNOOC), the Chinese partner and operator of KUFPEC’s Yacheng asset in China, from 19 to 21 of March 2019. Mr. Dai Tong, Deputy General Manager of Crude Oil and Natural Gas Marketing, headed the Chinese delegation and Mr. Nawwaf Al-Salem, Far East and Australia Region (FEAR) Manager, headed KUFPEC’s team. Extensive legal and commercial discussions on several Tie in agreements to utilize Yacheng pipeline network occurred along with gas market demands overview in South China Sea. Heads of the two teams and representatives from KUFPEC’s Commercial, Legal Affairs, Quality Assurance, Corporate Planning and Business Development departments also joined the meetings and commercial discussions. In addition, the team presented KUFPEC portfolio and the global footprint to the Chinese delegates.

The visit and the meetings conducted were a part of KUFPEC’s FEAR ongoing initiatives to utilize existing HO and AO resources in strengthening the relationships with the operators and partners to subsequently influence the decision for better outcomes.

During CNOOC visit to Kuwait they had the opportunity to see Ahmad Al-Jaber Oil & Gas Exhibition Centre helping them to learn about Kuwait’s Oil and Gas industry history and experience Kuwait Oil Company’s daily production management through its advanced integrated system KwIDF (Kuwait Integrated Digital Field). The visit positively impacting the CNOOC delegation and enhancing a stronger future relationship with KUFPEC.
KUFPEC HO HSSE team conducted the HSSE Management Software (EHS INSIGHT) training for Pakistan AO Management. The objective of the training was to give awareness on using the software and its main features which can be easily utilized for HSSE reporting online including, incident investigations, audits management, creation and follow-up of CAPA (Corrective/Preventive Actions) and submission of observations online using App on smart phone.