

Three-day oil and gas conference opens

Focus on right know-how, expertise

By Velina Nacheva

KUWAIT: A three-day International Oil and Gas Conference and Exhibition was opened in Kuwait yesterday under the patronage of Minister of Energy Sheikh Ahmad Al-Fahad Al-Sabah, focusing on the importance of acquiring the right know-how, the right knowledge, the right experience and the right technologies to help develop the oil and gas reserves of Kuwait.

Ahmed Al-Abied, chairman of the event, opened the exhibition at Radisson SAS Hotel saying, "It is absolutely the right time to discuss such a subject as the oil industry in Kuwait is going through an era of challenges in enhancing its oil production and boosting the capacity of its oil reserves."

Addressing the conference, Undersecretary of Kuwait's Energy Ministry Issa Al-Oun said that figures showed that Middle East oil exporting countries possessed half of the world's reserves.

"The average world oil demand will grow from 80 million to 120 million bpd in the coming 25 years," Al-Oun was quoted saying by Kuwait News Agency.

According to him, the new oil strategy planned by 2020 includes the establishment of new installations to absorb the production expansion and create experts and the development of refineries to increase their capacity to 1.3 million bpd in the coming five years and to develop oil derivatives in accordance with international standards.

On his part, Al-Abied said: "The theme of the event addresses exactly the centre of the rationale of the Project Kuwait. The project targets the development of existing difficult reserves by utilizing new know-how, new knowledge, new experience and new technologies to improve recoveries and to produce difficult reserves in an efficient and cost-effective manner." He also said that the result would generate greater revenues and a variety of other added values for Kuwait.

In his address, he summed up the two ways to produce more conventional oil. "Either to explore for and find more oil that matches with the available experience and knowledge to be able to produce that oil, or, you improve recoveries and develop the already discovered difficult oil by getting the right assistance from the International Oil Industry," he said.

same one per cent increase in recovery factor will not exceed one tenth of the above generated revenue," he said and added, "We need to improve our competitive performance and our ability to determine the right balance between opportunity and risk in development of our oilfields." "We need to be able to fill in the gaps between technologies data and people, and get them all working together to achieve the targeted production," he said.

He concluded phrasing the success in applying the three elements — technology, data, and people — and bridging the gaps between them in an effective and efficient way to help achieving our objectives, "is heavily dependent on our management ability to synchronise our knowledge, experience and know-how effectively enough to achieve the required goals."

He stressed that technology, data and people should be thought of as a value chain.

For the organisers of the exhibition Pro Media International, the main purpose of this conference is to create a forum to present new technologies and ideas in oil and gas exploration, production with emphasis on well stimulation. Storage and transportation as well as environmental, safety and economic issues involved will also be covered at the conference.

Along with the interactive business opportunities for the participants the conference will seek

interaction among researchers and scientists from the petroleum industry, academia and research institutions.

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According to him exploration involves more risk and uncertainty. Developing the large amount of present available oil in place, is low risk with more certain and predictable success, particularly when state-of-the-art technology and industrial practice is applied.

"Proper management of our resources, control of costs in the future and our long-term role as a major producer demands excellence in the exploration and development of existing reserves," Al-Abied said.

He also added that without proper development much of the newly-discovered oil would forever remain in the ground leading, ultimately, to far higher costs.

Al-Abied illustrated with an example saying: "An increase of one per cent in recovery factor will generate a revenue of over \$40 billion at today's oil market price."

"The cost of producing the



KUWAIT: The cutting of the ribbon on the exhibition premises at the Radisson SAS Hotel.



KUWAIT: Issa Al-Oun and other dignitaries during the opening of the Kuwait Oil and Gas Conference and Exhibition. — Photos by Joseph Shagras