

Saudi cuts oil prices for Asia as India battles virus



Bloomberg / Dubai

Saudi Arabia lowered oil prices for customers in its main market of Asia as a surge in coronavirus cases crimps demand in India, the world's third-largest crude importer.

The kingdom's state energy firm, Saudi Aramco, reduced pricing for June shipments to the continent by between 10 and 30 cents per barrel.

The key Arab Light grade for Asia was cut to \$1.70 a barrel above the benchmark from \$1.80 for May. That's the first reduction in official selling prices for the grade since December, signalling weakness in Asian oil markets.

The reductions had been anticipated in the market. Aramco had been expected to lower Arab Light's premium by 20 cents, according to a Bloomberg survey of seven traders and refiners. Saudi Energy Minister Prince Abdulaziz bin Salman has urged fellow members of Opec+ to be cautious as the group eases supply cuts started last year when the pandemic was hammering energy markets. The 23-nation alliance plans to increase daily

output by just over 2mn barrels through to July, beginning with 600,000 this month. That would still leave production roughly 5mn barrels a day below pre-pandemic levels.

Aramco raised pricing to the US by 20 cents a barrel for all grades. The nation is adding jobs amid economic growth and a push for widespread vaccinations. The company cut pricing for all shipments to Northwestern Europe and the Mediterranean, where efforts to bolster the economy and ease lockdowns have met with mixed results.

Brent crude has climbed almost 35% this year, closing in on \$70 a barrel as vaccination rollouts enable the US, Europe and some other major economies to reopen. Aramco chief executive officer Amin Nasser said on Tuesday he's more optimistic about the outlook for oil.

Still, the pandemic has rapidly worsened in India since the start of April. The country is now reporting around 400,000 cases every day.

Most Middle Eastern countries set monthly prices as a premium or discount to a benchmark. Aramco's OSPs serve as a bellwether for oil markets and often lead the pricing trend in the region. Abu Dhabi issued its first OSP based on trading in crude futures this month, a step in its efforts to establish its oil as the regional benchmark.

BP emerges as another big winner from Texas freeze



(Bloomberg) – Two months on from the winter freeze that paralyzed Texas and sent electricity and gas prices soaring, another big winner has emerged.

BP Plc said Tuesday its gas trading unit had an “exceptional” first quarter, helping to drive profit well above pre-pandemic levels. While executives didn’t spell it out, all signs point to large gains from the frigid weather in Texas.

“It was a very exceptional quarter in gas trading,” Chief Executive Officer Bernard Looney said in an interview. “We were well-positioned for colder-than-normal weather in the U.S.,” as well as in Asia.

The London-based oil major doesn’t disclose trading results, but its quarterly earnings suggest the gas and power unit “easily topped \$1 billion,” according to Citigroup Inc. analyst Alastair Syme. “Although not mentioned by name, we think positioning around the February storm in Texas – Storm Uri – has been the biggest driver of these gains.”

The next-biggest supplier, Macquarie Group Ltd., also enjoyed a windfall from gas and power price swings, pocketing \$210 million. Other companies to profit included pipeline operator Kinder Morgan Inc., which reported a \$1 billion gain, and more

may emerge as earnings season progresses.

Yet among BP's oil peers, some have already flagged that their results will suffer from the deep freeze. Royal Dutch Shell Plc has warned its adjusted earnings will take a hit of about \$200 million, while Exxon Mobil Corp. expects profit to be curtailed by as much as \$800 million.

Trading Giant

BP benefits from having one of the largest in-house trading units in the industry. Last year, the company offered a glimpse into just how profitable the secretive trading operation is: it boosts returns on average capital employed by around 2 percentage points, suggesting it brings in as much as \$2.5 billion a year.

On Tuesday, BP's executives batted away repeated questions from analysts calling for more details on the scale of the trading wins. "I don't really want to give up commercial advantage," Chief Financial Officer Murray Auchincloss said. "I don't think I'm going to go any further in describing what we do commercially. It's just not helpful to our traders."

For now, BP will only give a steer using adjectives such as average, strong or exceptional. The company has had three "exceptional" quarters in the past decade, the latest example – before the one just reported – being the second quarter of 2020, Auchincloss said.

The trading business will mostly remain a black box for investors and analysts, but Auchincloss said the company would "probably" give guidance on the unit's contribution to returns once a year, starting next February or March. Giving away more details than that would be a distraction, he said in an interview.

Analysts questioned whether the gains reflected an outsized appetite for risk in trading. But the CFO countered that the

successes were down to managing long and short positions, and arbitrage.

“We have a very, very strong and long history of knowing how to manage these disruptions and doing well,” he said. “And of course we had disruptions in the first quarter in Asia and the United States.” ©2021 Bloomberg L.P.

Opec+ sticks to plan to ease oil output cuts from May 1



Reuters/Dubai/Moscow/London

Opec, Russia and their allies will stick to plans for a phased easing of oil production restrictions from May to July amid upbeat forecasts for a recovery in global demand and despite surging coronavirus cases in India, Brazil and Japan.

The group known as Opec+ ditched plans to hold a ministerial meeting on Wednesday, four Opec+ sources said, following

Tuesday's meeting of ministers who are members of a market monitoring panel.

The panel decided to stick to policies broadly agreed at a previous April 1 meeting of Opec+, Russian Deputy Prime Minister Alexander Novak said after the talks.

He said the next Opec+ ministerial meeting was scheduled for June 1 to review output levels for July and August.

An Opec+ statement also confirmed the June 1 date for the next meeting.

Opec+, which is responsible for more than a third of global production, has cut output by around 8mn barrels per day (bpd), equivalent to over 8% of global demand.

The reduction includes a 1mn bpd voluntary cut by Saudi Arabia. At the April 1 meeting, the group agreed to bring 2.1mn bpd back to the market from May to July, easing cuts to 5.8mn bpd.

In a report by Opec+ experts, the group forecast global oil demand in 2021 would grow by 6mn bpd, after falling 9.5mn bpd last year.

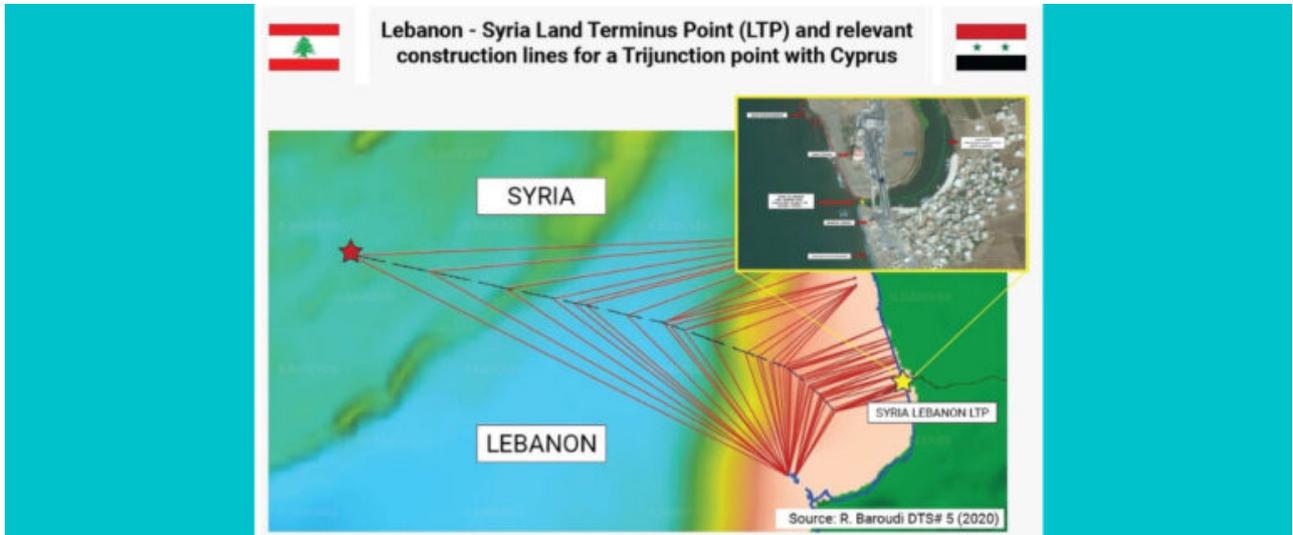
But the group said that, even though more than 1bn Covid-19 vaccine doses had been administered globally, it was concerned that surges in new virus cases in India, Brazil and Japan might derail recovering demand for crude.

Oil prices rebounded on Tuesday after falling the previous session, with gains capped by growing concern about fuel demand in India, the world's third-biggest crude importer.

The Opec+ report said it expected commercial oil stocks to reach 2.95bn barrels in July, taking them below the 2015-2019 average, and expected them to remain below that average for the rest of the year.

It said it saw stocks at about 70mn barrels below the average for the whole of 2021, a more optimistic outlook than its previous forecast of 20mn barrels below the average.

ترسيم الحدود البحرية اللبنانية - السورية على نار حمية بارودي لـ "النهار": الحل التقني موجود وينطلق من نقطة الحدود البرية



وضع لبنان الخطوط الاساسية لبدء عملية التفاوض مع الجانب السوري في ما يتعلق بمسألة ترسيم الحدود، وتحديدًا البحرية منها، بعدما أظهر العقد الذي صادقت عليه الحكومة السورية في 18 آذار 2021 والموقع بين وزارة النفط السورية وشركة Capital Limited الروسية للتنقيب عن النفط والغاز شرق المتوسط قبالة ساحل طرطوس، عند الحدود البحرية اللبنانية - السورية، وتحديدًا في البلوك البحري الرقم 1 في المنطقة الاقتصادية الخالصة السورية والتي تتداخل مع جزء كبير من المنطقة الاقتصادية البحرية اللبنانية.

بالفعل، يتداخل البلوك الرقم واحد بشكل كبير مع البلوك 1 والبلوك 2 ضمن المياه اللبنانية، وتراوح مساحة هذه الرقعة المائية ما بين 750 و1000 كلم² تقريبًا داخل المياه اللبنانية إستنادًا الى تقارير وضعها الجيش اللبناني، ما أعاد تسليط الضوء على ضرورة الاسراع وفورا بالتفاوض مع الجانب السوري لإنهاء ملف ترسيم الحدود، اقله

حاليا الحدود البحرية. هذه الحدود التي كان حددها لبنان في العام 2011 ضمن مرسوم تحديد المنطقة الاقتصادية الخالصة الذي لحظ إحدائيات النقاط الجغرافية للحدود البحرية والبرية، ورفضها الجانب السوري الذي تقدم بشكوى ضد لبنان أمام الأمم المتحدة في العام 2014. إعتمدت سوريا خطأً حدودياً بحرياً ينطلق من شاطئ طرطوس أفقياً نحو الغرب، الامر الذي اعترض عليه لبنان، مؤكداً ان هذه الآلية تتعارض مع قانون البحار الدولي المعمول به من خلال الامم المتحدة والقواعد المعتمدة عالمياً لتحديد الحدود البحرية، وهي ايضا المقاربة التي يعتمدها لبنان في مفاوضاته مع الجانب الاسرائيلي لتحديد حدوده الجنوبية.

البعض طالب الحكومة اللبنانية بضرورة تقديم شكوى ضد سوريا امام الامم المتحدة إعتراضاً على آلية ترسيم الحدود البحرية مع لبنان بطريقة أحادية والشروع بأعمال مسح وتنقيب عن النفط والغاز في منطقة متداخلة مع المياه اللبنانية، بعد تقديم اعتراض خطي أمام الحكومة السورية على ما تقوم به والاصرار على وقف الاعمال في المنطقة المتداخلة الى حين الانتهاء من ترسيم الحدود البحرية. ومن المهم أيضاً ان تراسل الحكومة اللبنانية ممثلة بوزارة الطاقة والمياه الشركة الروسية المعنية لإعلامها بان الحدود البحرية اللبنانية - السورية غير مرسمة نهائياً، وإرسال اي باخرة لتقوم بالمشح الجيولوجي ضمن المناطق المتنازع عليها بين لبنان وسوريا، يعرض الشركة للملاحقة ويهدد مسار عملها، خصوصا في حال قرر لبنان الذهاب بهذا الملف الى المحاكم الدولية للفصل بالنزاع، وكذلك من الروسية توقيع Capital المهم ان تطلب الحكومة اللبنانية من شركة تعهد لدى الجانب اللبناني بان اي نشاط ستقوم به على البلوك السوري الرقم 1 سيكون خارج المنطقة البحرية المتداخلة بين لبنان وسوريا.

وقد كلف رئيس الجمهورية العماد ميشال عون رئيس الوفد اللبناني المفاوضات لترسيم الحدود البحرية الجنوبية العميد الركن الطيار بسام ياسين تسلم زمام التفاوض ايضا مع الجانب السوري في مسألة ترسيم الحدود، على ان يقوم بالتواصل مع الجانب السوري لمعالجة ما يحصل عند الحدود البحرية، والاهم العمل على وقف أعمال الاستكشاف والتنقيب من قبيل الشركة الروسية التي لُزمت العمل على البلوك 1 السوري، ضمن منطقة متداخلة مع البلوكات البحرية اللبنانية (1 و 2)، مع الاشارة الى ان طول الحدود البحرية بين سوريا ولبنان يبلغ نحو 53 ميلاً بحرياً، فيما يبلغ طول الحدود البحرية بين لبنان

وقبرص 96 ميلاً، وطول الحدود البحرية اللبنانية - الاسرائيلية 71 ميلاً.

في هذا السياق، وانطلاقاً من آخر التطورات على صعيد هذا الملف، يعتبر الخبير الدولي في شؤون الطاقة رودي بارودي ان "من المهم التأكيد ان سوريا ليست طرفاً في اتفاقية الأمم المتحدة لقانون البحار ولكنها دولة مراقبة، ومع الإعلان الأخير عن تلزيم البلوك الروسية برز الكثير من المواقف "Capital" السوري الرقم 1 لشركة المتخوفة من التعدي على حقوق لبنان من قبل سوريا، ولكن ما هو مؤكد ان البلوك السوري الرقم 1 يقع جنوب الخط الطبيعي الموقت المحايد بنسبة 100% إذا ما تم اعتماد قواعد الأمم المتحدة لقانون البحار. ومع ذلك، ووفقاً لمعلومات التنقيب العالمية حول مناطق امتياز النفط والغاز لعام 2018 و2019 و2021، لم تتغير اشكال البلوكات السورية، فهي واقعة لم تفاجيء متخصصي الصناعة النفطية، وهي اليوم كما كانت من قبل". ويشير بارودي الى ان "حدود سوريا القانونية البحرية وفقاً لجدول مطالبات الأمم المتحدة للعام 2011 هي كما يأتي:

البحر الإقليمي = 12 ميلا بحريا.

المنطقة المجاورة = 24 ميلا بحريا.

المنطقة الاقتصادية الخالصة = 200 ميل بحري.

فإذا نظرنا إلى البلوكات اللبنانية، نجد أنها تتداخل أيضاً مع "البلوكات السورية".

وقّع لبنان وسوريا نحو 40 اتفاقاً تتناول مختلف المجالات، ومنها ما يتعلق بتقاسم مياه الأنهر المشتركة بين البلدين، سواء نهر العاصي او النهر الكبير الجنوبي. وامام هذه الوقائع ونظراً للتداخل بين سوريا ولبنان، وعلاقتهما الجغرافية والمعاهدات الموقعة بينهما، يمكن الدولتين، بحسب بارودي، وبسهولة رسم خط متساوي الأبعاد، (LTP Land Terminus Point) - وفقاً لنقطة الحدود عند نهاية البر الذي يلتزمه كلا البلدين كما هو ظاهر في الخريطة الرقم 1 بحيث يمكن الجيش اللبناني أن يحدد الخط الحدودي بدقة من خلال عمل دقيق ومحترف مع الجانب السوري، شبيه بالذي قام به خلال إعداد المفاوضات لترسيم الحدود البحرية اللبنانية في المناطق المتنازع عليها مع إسرائيل.

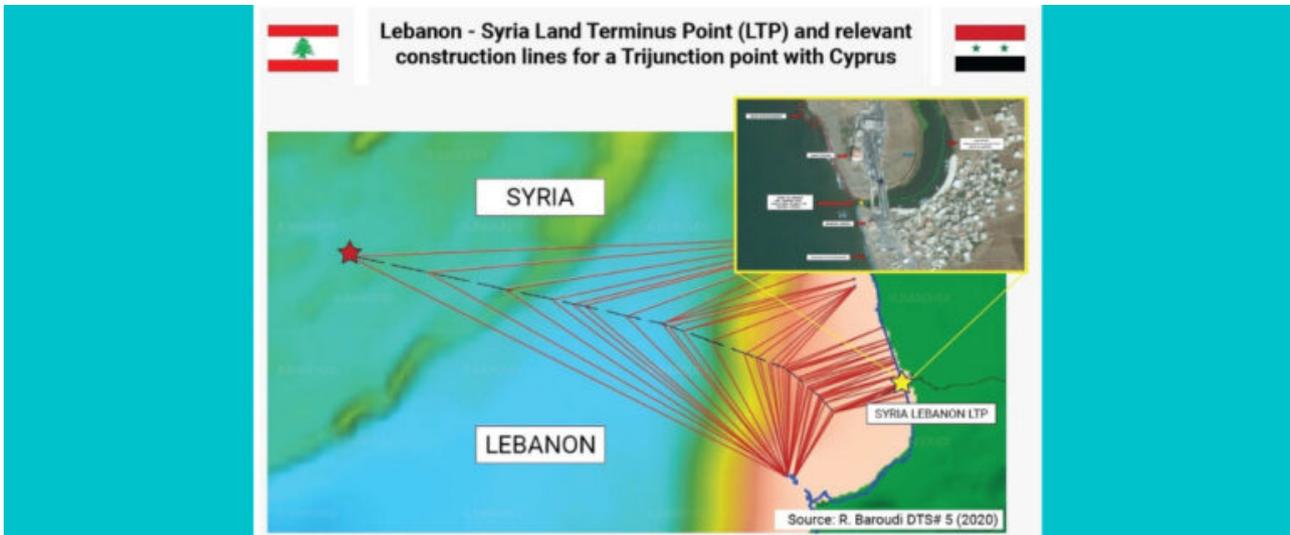
تستطيع الحكومتان اللبنانية والسورية حل الاشكال الحدودي البحري الذي يعتمد نقطة الحدود على نهاية LTP بشكل سريع طالما ان خط البر بين البلدين محدد والجزر قبالة البلدين محددة بشكل رسمي لا

لبس فيه، وحل هذا الامر يؤسس لحل عادل وسريع لاشكالية ترسيم الحدود البحرية بين لبنان وقبرص نظرا لترابط الملفين. في هذا الاطار وطالما ان الموضوع يتعلق بقطاع الطاقة، ونظرا للوضع الصعب الذي يمر به لبنان من الناحيتين الاقتصادية والانسانية، فانه يتوجب بحسب بارودي على المعنيين اللبنانيين "التفاوض مع الجانب السوري وبشكل سريع لاعادة تفعيل القانون الرقم 509 الصادر في 16/7/2003 والذي يجيز إبرام اتفاقية بيع الغاز بين لبنان وسوريا كما التواصل مع الجانب المصري لتنفيذ المرسوم الرقم 15722 الصادر في 14/11/2005، والذي أجاز بموجب مذكرة التعاون بين وزارة الطاقة في لبنان ووزارة البترول والثروة المعدنية المصرية استجرار الغاز من الجانب المصري، كي يستطيع لبنان ان يؤمن بعض حاجاته من الغاز الطبيعي، ما يساعد على انتاج نظيف للكهرباء وباسعار مقبولة ويحقق وفرا وديمومة. فالجانب السوري يدرك ان هنالك حوالى مليوني لاجئ سوري على الاراضي اللبنانية، وبالتالي في حال تطبيق الاتفاقات المذكورة يمكن تأمين غاز لمعمل دير عمار لكي ينتج اكثر من 400 ميغاواط تساعد كهرباء لبنان في هذه الفترة العصيبة، على ان يدفع لبنان ثمن الغاز في فترة تمتد من ثلاث الى اربع سنوات، وهذا الامر ليس بمستحيل على رغم العقوبات الاميركية على سوريا، اذ ان لبنان يستطيع ان يتشبه بالعراق الذي استطاع ان يؤمن استثناءات انسانية من العقوبات الاميركية المفروضة على إيران عبر محادثات جديّة قام بها الجانب العراقي مع الادارة الاميركية، ويعتبر هذا الامر من الضروريات في الوقت الراهن بعيدا من السياسات الداخلية الضيقة التي تمنع القيام بهذه الخطوة المهمة. نجاح هذه الخطوة الوطنية يحتاج، بحسب بارودي، "إلى تعاون وتفهم كل القوى السياسية اللبنانية لاهميتها في مجال تأمين الطاقة الكهربائية للمواطنين وقطاعات الانتاج اللبنانية التي تعاني الامرّين لتأمين كهرباء باسعار مقبولة للتمكن من الصمود بوجه الازمات التي يمر بها لبنان. فقد بلغت نسبة الفقر بين اللبنانيين نحو 50% وهي نسبة مرتفعة لم يعرفها لبنان من قبل والعدد مرشح للازدياد في حال عدم ايجاد حلول سريعة لما تعاني منه من هدر في مختلف القطاعات، علما ان الكهرباء تقع على رأس القطاعات التي ينبغي اعادة الحيوية اليها وفقا لما جاء في ورقة باريس الاصلاحية ولمطالب صندوق النقد الدولي والمجتمع الدولي لمد يد العون للبنان. واستجرار الغاز الى دير عمار سواء من سوريا او من مصر يساعد على تأمين هذا الامر ولو جزئيا، اذ يؤمن انطلاقا ثابتا ومنافسا للصناعة والزراعة وقطاع الخدمات كما مختلف القطاعات الإنتاجية الاخرى، ما يساعد على تقليل الخسائر التي تعاني منها الخزينة اللبنانية وعلى الحد من استنزاف موجودات مصرف لبنان

من العملات الصعبة".

وينهي بارودي بالتأكيد على "أهمية قيام لبنان بتعديل المرسوم 6433 للعام 2011 والمتعلق بالمنطقة الاقتصادية الخالصة على الحدود الجنوبية، على ان يتم ارسال التعديل الى الامم المتحدة فورا لضمان الحفاظ على حقوقنا البحرية الجنوبية مع اسرائيل". وحاليا تستمر دراسة التعديلات المقترحة على هذا المرسوم بين الوزارات المعنية وقيادة الجيش، على ان يتم في نهاية المطاف عرضه على رئيس الحكومة لتوقيعه وإحالته على رئاسة الجمهورية لإصدار الموافقة الاستثنائية المطلوبة.

Lebanese – Syrian Maritime Boundaries: Solutions Are Ready



By Roudi Baroudi

Lebanon's maritime boundaries with Syria have become a popular topic for public discussion of late, and that is a good thing. After all, the more our citizens know, the better-equipped they will be to identify national interests, and therefore to demand that elected officials pursue those interests above all other considerations.

This is only true, though, if the citizens in question have both correct information and a basic understanding of how international relations are conducted. Otherwise they risk being tricked by those actors, both Lebanese and foreigners, intent on furthering their own commercial, diplomatic, geostrategic, personal, and/or political ambitions at the expense of Lebanon's national priorities.

Anyone seeking to sort out the back-and-forth over this latest chapter of Libano-Syrian relations should keep the following in mind:

- While certain political circles in Lebanon have been estranged from Syria's current government in recent years, relations between the two countries – not just national and diplomatic, but also economic, social, and family – go back millennia. Whatever disagreements come and go, the relationship is very much a brotherly one within the larger Arab family, and however much they may be at odds with one another, brothers are always there for each other when it matters most.

- Syria is not a party to the United Nations Convention on the Law of the Sea (UNCLOS). It is, however, both a brotherly country and an observer state, and it should be kept in mind that the standards and practices of UNCLOS have become the norms by which maritime boundary disputes are resolved, whether by treaty, arbitration, or the verdict of a suitable international court.

- The length of the maritime border between Lebanon and Syria is approximately 53 nautical miles; between Lebanon and Cyprus, approximately 96 nautical miles; and between Lebanon and Israel, approximately 71 nautical miles.

In late March, Syrian news outlets reported that a Russian company, Capital Limited, had been contracted by the Syrian government to carry out offshore hydrocarbon exploration and development in Block 1, a parcel of seabed along the country's maritime border with Lebanon. Almost immediately, certain Lebanese politicians and Arab media sounded alarms to the

effect that Syria was infringing Lebanon's rights, but what is certain is that Block 1 is located in the 100% neutral temporary natural line neutral, according to UNCLOS rules. However, according to global exploration information on global oil and gas concession areas for 2018, 2019, and 2021, and as expected by oil industry specialists, the Syrian blocks have not changed: they have the same dimensions and positions as when they were announced by the Syrian government.

– According to the UN Table of Claims for 2011, Syria's legal maritime claims are as follows:

Territorial sea = 12 nautical miles

Adjacent areas = 24 nautical miles

Exclusive Economic Zone = 200 nautical miles

– If we look at the Lebanese blocks, we find that they also overlap with the Syrian blocks.

– Over the years, Lebanon and Syria have signed approximately 40 reciprocal agreements in various fields, including some related to the sharing of river waters common to the two countries, including the Assi (also known as the Orontes, or the Mimas) and the Kbir (also known as the Kbir al-Janoubi, which forms much of the northern border between the two countries. This lands border ends at the spot along the coast where the Kbir empties into the Mediterranean Sea, and where the countries have agreed a Land Terminus Point (LTP) at the mouth of the river, as shown on the accompanying map.

Given all of these facts and the overlap between Syrian and Lebanese claims, and in light of the geographical proximities, the numerous signed conventions between them, and their historically fraternal relations, the two countries could easily draw an equidistant line extending from the LTP to the trijunction with Cyprus, about 53 nautical miles offshore. The Lebanese Armed Forces recently did a tremendous job in a much more challenging task, preparing for and conducting negotiations over the far more contentious southern border with Israel, so reaching a deal with the Syrians should be relatively straightforward for the LAF.

With all due respect to those focused on the maritime border with Syria, given the relative ease with which that deal can be made, the more urgent task right now is to preserve our rights along the southern border with Israel, this by amending Decree No. 6433 of 2011 and submitting the new coordinates, as allowed for by Article 3 of said decree, to the United Nations.

The Lebanese and Syrian governments can quickly solve the maritime border problems as long as the LTP line between the two countries is defined and the islands opposite the two countries are officially and unambiguous. As a bonus, a solution to this issue also could also open the way to a just and speedy demarcation of the boundary with Cyprus.

In the same context, so long as the objective is related to the energy sector, and considering the difficult economic and humanitarian situation facing Lebanon, the concerned Lebanese officials also should negotiate with their Syrian counterparts to quickly reactivate Law No. 509, issued on July 16, 2003, authorizing the conclusion of an agreement to sell gas between Lebanon and Syria. The Lebanese side should communicate with Egypt as well, in order to implement Decree. No. 15,722, issued on November 14, 2005. This decree endorsed a memorandum of cooperation between the Lebanese Ministry of Energy and Water and the Egyptian Ministry of Electricity and Energy authorizing the import of gas from Egypt. These two moves would enable Lebanon to cover at least some of its natural gas needs, whether from Syria or from Egypt via Syria, which would allow the generation of cleaner and more affordable electricity at the Deir al-Ammar power station, which was designed to run on gas but has burned diesel for most of the time since its commissioning in 1998.

In light of the fact that some 2 million displaced Syrians are still sheltering in Lebanon because of the continuing war in their homeland, there is good reason to hope that Damascus might adopt a humanitarian perspective by providing the gas on a grant basis (actual or de facto), which would help the

Lebanese gain both savings and sustainability. In this scenario, the Lebanese population would derive all the benefits of the Deir al-Ammar station's 400-megawatt capacity during a very difficult period, but the Lebanese state would not be pressured to repay, giving it time and space to restore economic and fiscal stability. Some will object that US sanctions on Syria make such a deal impossible, but there is nothing stopping Lebanon from applying for the same kind of humanitarian exemption that Iraq received in order to purchase Iranian oil. All that's needed is for Lebanon's most influential politicians to set aside the infighting for the sake of an urgent national need.

Total keen to participate in bid for entering North Field East (NFE) project with QP: Bouyer



French broad energy company Total, which has been present in Qatar since 1936, looks forward to participate in the bid for entering the multi-billion dollar North Field East (NFE) project with QP, said Matthieu Bouyer, managing director, Total E&P Qatar and Total country chair in Qatar.

In February, Qatar Petroleum (QP) took the final investment decision for developing the \$28.75bn North Field East Project (NFE), the world's largest LNG project, which will raise Qatar's LNG production capacity from 77mn tonnes per year (mmtpy) to 110 mmtpy by 2025.

"HE the Minister of State for Energy Affairs Saad bin Sherida al-Kaabi mentioned in February that the results should be known by the year end. We are mobilised and would definitely like to be associated with this giant expansion," Bouyer said in an interview with Gulf Times in Doha.

Total, which has been active in all areas of Qatar's energy sector, from exploration and production to refining, petrochemicals and marketing of lubricants, is a founding partner of Qatargas and a founding member and leading partner of Dolphin Energy.

Speaking about Total's short and mid-term strategy, Bouyer said, "In our current joint ventures, we are on the verge of launching large scale projects... so we are putting a lot of

efforts to support them as much as possible in the project definition and execution phases in order to secure future energy production for the State of Qatar.

“Our short and mid-term strategy involves diversification of our business and implementing the group strategy in Qatar through renewables in particular.”

Bouyer was quick to emphasise the importance Total attaches to safety of its staff and operations.

“Although Qatar has been managing Covid-19 remarkably well, our clear daily priority is to keep our staff and operations safe amid the pandemic crisis. Beyond the Covid risk management, we expect the highest level of safety in a context of fatigue and weariness.”

Bouyer sees a “bright” future for liquefied natural gas and Qatar’s LNG industry as a whole.

“Economists and market analysts believe LNG holds significant growth prospects in the long run. Natural gas stands out as a transition fuel, to replace coal in particular, thereby reducing emissions.

“Two major economies in Asia – China and India have been witnessing increasing demand for LNG... even in 2020 in the middle of the most unprecedented crisis the world has faced.”

“At Total, our goal is clear – more energy and less emissions. Our ambition is to be Net Zero by 2050 together with society”, Bouyer said and noted “to achieve this, we base our strategy in particular on two growth pillars – LNG and renewables. We are one of the top leading players in LNG. That said, as a broad energy company, our portfolio comprises not only oil and gas, but also power, mainly from renewables.”

To anchor this strategy, Total will propose to its shareholders in May this year to change its name to become ‘TotalEnergies’, Bouyer said.

Praising Qatar’s efforts at developing its LNG industry, Bouyer said, “In the last 25 years, Qatar has become the largest LNG exporting country with more than 77mn tonnes per annum (Mtpa) of high quality LNG capacity.

In February, Qatar launched the biggest LNG project worldwide

– North Field Expansion, with an additional 33 mtpy with high environmental standards. And they are working to further increase this with a future phase – North Field South that is planned to be put online right after.

“So definitely, LNG has a role and will be the main contributor to Qatar energy development, looking forward.”

Total is the shareholder and sole operator of Al Khalij offshore oilfield. In 2016, Total won the bid for Al Shaheen offshore oilfield, resulting in North Oil Company, established as a partnership between Total and QP.

Total is present in five downstream joint ventures (JVs) in Qatar, three in petrochemicals (Qapco, Qatofin, RLOC) and two in refining (Laffan Refineries 1 and 2).

Total supported Qatar to build the first ethane cracker in the Middle East at Qapco.

“Since then, Total has been involved in many upgrades or expansions of the downstream sector in Qatar, supporting its JVs and their projects with secondees and specialised technical services,” Bouyer said.

Total Marketing Qatar has a prominent market share for lubricants in Qatar for automotive, construction, industrial and marine customers.

The Total Research Center Qatar at QSTP has leading edge and innovative research projects related to sustainable development, marine biodiversity, biofuels, and solar energy. Total said its commitment to sharing its expertise is fuelled by its aim is to develop home-grown solutions to its local operational challenges, thus supporting and contribution to Qatar’s vision of developing a knowledge-based economy.

TRC-Q also acts as a bridge between industry and academia to bring innovative solutions to our operations, he said.

US fossilfuel companies took billions in taxbreaks and then laid off thousands



Fossil-fuel companies have received billions of dollars in tax benefits from the US government as part of coronavirus relief measures, only to lay off tens of thousands of their workers during the pandemic, new figures reveal.

A group of 77 firms involved in the extraction of oil, gas and coal received \$8.2bn under tax-code changes that formed part of a major pandemic stimulus bill passed by Congress last year. Five of these companies also got benefits from the paycheck protection program, totaling more than \$30m.

Despite this, almost every one of the fossil-fuel companies laid off workers, with a more than 58,000 people losing their jobs since the onset of the pandemic, or around 16% of the combined workforces.

The largest beneficiary of government assistance has been Marathon Petroleum, which has got \$2.1bn in tax benefits.

However, in the year to December 2020, the Ohio-based refining

company laid off 1,920 workers, or around 9% of its workforce. As a comparative ratio, Marathon has received around \$1m for each worker it made redundant, according to BailoutWatch, a nonprofit advocacy group that analyzed Securities and Exchange Commission filings to compile all the data.

Phillips 66, Vistra Corp, National Oilwell Varco and Valero were the next largest beneficiaries of the tax-code changes, with all of them shedding jobs in the past year. In the case of National Oilwell Varco, a Houston-headquartered drilling supply company, 22% of the workforce was fired, despite federal government tax assistance amounting to \$591m.

Other major oil and gas companies including Devon Energy and Occidental Petroleum also took in major pandemic tax benefits in the last year while also shedding thousands of workers.

“I’m not surprised that these companies took advantage of these tax benefits, but I’m horrified by the layoffs after they got this money,” said Chris Kuveke, a researcher at BailoutWatch.

“Last year’s stimulus was about keeping the economy going, but these companies didn’t use these resources to retain their workers. These are companies that are polluting the environment, increasing the deadliness of the pandemic and letting go of their workers.”

The tax benefits stems from a change in the Cares Act from March last year that allowed companies that had made a loss since 2013 to use this to offset their taxes, receiving this refund as a payment.

The extended carry-back benefit was embraced by the oil and gas industry, with many companies suffering losses even before Covid-19 hit. Pandemic shutdowns then severely curtailed travel by people for business or pleasure, dealing a major blow to fossil-fuel companies through the plummeting use of oil, with the price of a barrel of oil even entering negative

territory at one point last year.

A spokesman for Marathon, the one company to answer questions on the layoffs, said the business made “the very difficult decision” to reduce its workforce, providing severance and extended healthcare benefits to those affected.

“These difficult decisions were part of a broader, comprehensive effort, which also included implementing strict capital discipline and overall expense management to lower our cost structure, to improve the company’s resiliency, and re-position it for long-term success,” the spokesman said. “We look forward to better days ahead for everyone as the nation emerges from the pandemic.”

This expense management didn’t extend to the pay of Marathon’s chief executive, Michael Hennigan, who made \$15.5m in 2020. According to BailoutWatch, Marathon’s chief executive is paid 99 times the average company worker’s salary.

“They had no problem paying their executives for good performance when they didn’t perform well,” said Kuveke. “There is no problem with working Americans retaining their jobs but I don’t believe we should subsidize an industry that has been supported by the government for the past 100 years. It’s time to stop subsidizing them and start facing the climate crisis.”

Faced by growing political and societal pressure in their role in the climate crisis and the deaths of millions of people each year through air pollution, the oil and gas industry has sought to paint itself as the protector of thousands of American workers who face joblessness due to Joe Biden’s climate policies.

“Targeting specific industries with new taxes would only undermine the nation’s economic recovery and jeopardize good-paying jobs, including union jobs,” said Frank Macchiarola, senior vice-president for policy, economic and regulatory

affairs at lobby group American Petroleum Institute, following Biden's announcement of a new climate-focused infrastructure plan on Wednesday.

"It's important to note that our industry receives no special tax treatment, and we will continue to advocate for a tax code that supports a level playing field for all economic sectors along with policies that sustain and grow the billions of dollars in government revenue that we help generate."

Europe gasoline rockets despite demand blight from lockdowns



As Europeans drive less, the price they're paying for gasoline to power their cars is moving higher as the continent's oil refineries boost exports – but make less – of the fuel.

The so-called crack spread, the price at which gasoline trades over crude oil, hit its strongest for the time of year since 2017 at the start of April. That's helped push retail prices to their highest in years on a seasonal basis in several of the continent's big consumer nations including Germany, France and Italy.

At least a quarter of the gasoline-making units at northwest Europe's oil refineries have been offline recently for maintenance, or suffered unplanned disruption. That's further reduced output at a time when plants are processing less crude oil anyway because of the pandemic. Add in healthy exports, in particular to the U.S., and prices suggest the market has more than offset the lost demand.

"There's a huge pull on European gasoline to other key regions," said Mark Williams, an oil analyst at Wood Mackenzie Ltd., adding that resurgent demand in the U.S. is boosting the European market.

When Europe's spring lockdowns came into force last year, millions of barrels of gasoline demand disappeared and processing margins sank deep into negative territory. This time that hasn't happened, despite the continent's latest wave of mobility-restricting lockdowns limiting road use and perpetuating weakness in two other key transport fuels: diesel and jet fuel.

European exports of gasoline to the U.S. surged by more than 60% month-on-month in March and are set to stay strong in April, according to data from Kpler, an analytics firm. Shipments to West Africa are also healthy, averaging almost half a million barrels a day in the first quarter of this year. Nigeria has also recently said it won't phase out gasoline subsidies.

At the same time, Europe's own supply is being squeezed with multiple gasoline-making units called fluid catalytic crackers

taken offline.

Germany's Miro refinery, which normally supplies between a quarter and a third of the nation's gasoline, has undergone a major overhaul this spring. The U.K.'s Pembroke plant is also among refineries that reduced supply in recent weeks.

"These outages are likely not economically motivated, but more a result of scheduling," said Koen Wessels, an analyst at Energy Aspects, noting the loss of output has been supporting margins.

The refinery disruption and high exports have helped to strengthen Europe's gasoline market even as the continent's road use slumped to its lowest so far this year in the week through March 28, according to transport data compiled by Bloomberg. It was down about 30% on average, compared with pre-pandemic levels.

While those forces are helping gasoline, they're not enough to push margins for other key transport fuels back to seasonal norms. With Europe's air traffic still more than 60% below the pre-pandemic level, refiners are still shifting jet fuel production into diesel, adding to supplies and pulling down prices.

"We could well see another few weeks of strength before refiners bring on enough capacity to alleviate the shortage meaningfully," said Eugene Lindell, an analyst at JBC Energy, when asked about current gasoline strength. "We would expect the ample spare capacity to take care of the issue once runs are ramped up."

OPEC+ to ease oil curbs from May after U.S. calls Saudi



OPEC+ agreed on Thursday to gradually ease its oil output cuts from May, after the new U.S. administration called on Saudi Arabia to keep energy affordable, mirroring Donald Trump's practice of calling OPEC's leader over oil policy.

The group, which has implemented deep cuts since a pandemic-induced oil price collapse in 2020, agreed to ease production curbs by 350,000 barrels per day (bpd) in May, another 350,000 bpd in June and further 400,000 bpd or so in July.

Iran's oil minister, Bijan Zanganeh, confirmed the group would have boosted output by a total of 1.1 million bpd by July.

Under Thursday's deal, cuts implemented by the Organization of the Petroleum Exporting Countries, Russia and their allies, a group known as OPEC+, would be just above 6.5 million bpd from May, compared with slightly below 7 million bpd in April.

“What we did today is, I think, a very conservative measure,” Saudi Energy Minister Prince Abdulaziz Bin Salman told a news conference after the OPEC+ meeting, adding that output levels could still be adjusted at the next meeting on April 28.

He said Thursday’s decision had not been influenced by any talks with U.S. officials or any other consuming nations.

The Saudi minister also said the kingdom would gradually phase out its additional voluntary cut that have been running at 1 million bpd, by adding 250,000 bpd to production in May, another 350,000 bpd in June and then 400,000 bpd in July.

CHANGING MOOD

Brent crude was trading around \$64 a barrel, more than 20% up on the start of the year and not far from this year’s high of around \$71.

“We reaffirmed the importance of international cooperation to ensure affordable and reliable sources of energy for consumers,” Jennifer Granholm, the new energy secretary appointed by U.S. President Joe Biden, said on Twitter after her call with the Saudi energy minister.

News of the call coincided with signs of a changing mood in informal discussions between OPEC+ members. A few days before Thursday’s talks, delegates had said the group would likely keep most existing cuts in place, given uncertainty about the demand outlook amid a new wave of coronavirus lockdowns.

But in the 24 hours before the meeting started, sources said discussions had shifted to the possibility of output increases.

In the past, Trump had used his influence to force Saudi Arabia to adjust policy. When prices spiked, he insisted OPEC raise production. When oil prices collapsed last year, hurting U.S. shale producers, he called on the group to cut output.

Until this week, Biden's administration had refrained from such an approach, keep a distance from Riyadh and imposing sanctions on some Saudi citizens over the 2018 murder of Jamal Khashoggi.

Even when OPEC+ decided on March 4 to keep steady output, triggering a price rise, the White House had made no direct comment.

Source: Reuters (Reporting by Alex Lawler and Ahmad Ghaddar in London, Rania El Gamal in Dubai, Olesya Astakhova and Vladimir Soldatkin in Moscow; Writing by Dmitry Zhdannikov; Editing by Edmund Blair)

**QP in deal with Shell to
become partner in two
offshore exploration blocks
in**



Qatar Petroleum has entered into an agreement with Shell to become a partner in two exploration blocks offshore, the Republic of Namibia.

Under the terms of the agreement, which is subject to customary approvals, QP will hold a 45% participating interest in the PEL 39 exploration licence pertaining to Block 2913A and Block 2914B, while Shell (the Operator) will hold a 45% interest, and the National Petroleum Corporation of Namibia (NAMCOR) will hold the remaining 10% interest.

Commenting on the agreement, HE the Minister of State for Energy Affairs Saad bin Sherida al-Kaabi, also the President and CEO of QP, said, "With this second exploration and production sharing agreement in Namibia, we are pleased to expand our exploration footprint in the country, and to further strengthen our presence in the southern Africa region. "Working on these promising and prospective blocks with our valued long-term partner, Shell, is another step in our stride towards achieving our international growth strategy. We look forward to working together with the Namibian Government, NAMCOR and Shell on these blocks."

This is QP's second exploration licence in Namibia. In August 2019, QP entered into agreements for participating in blocks 2913B and 2912 offshore Namibia.

The PEL 39 blocks are located offshore Namibia in ultra-deep-water depths of about 2,500m, covering an area of approximately 12,300km².