THIS WILL TAKE 300 MILLION YEARS TO BECOME NATURAL GAS.

TILL THEN, LET'S PLEDGE TO USE WHAT WE HAVE, WISELY.

GAIL (India) Limited

The IGU delegation arrives in Yamburg.

conditions. The operations have to meet the strictest environmental regulations as the natural environment is fragile and sensitive to external impact. We visited the production facilities of Zapolyarnoye oil and gas condensate field, and also examined the lifestyle and households of the native population in the Yamburg National Administrative District.

During his visit to Tehran in June the Secretary General met HE S.R. Kassaei Zadeh, Deputy Minister and Managing Director of the National Iranian Gas Company (LEFT).

About 40% of Russian gas production comes from this region, and the gas is transported over vast distances to markets in Russia and Europe. The many new discoveries in the region are very promising for the long-term gas supply perspectives to markets that need more of this clean fossil fuel.

TI

● International Energy Business Forum

On April 20, the 3rd International Energy Business Forum took place in Rome. This high-level forum is organised by the International Energy Forum and brings together Ministers and CEOs to discuss energy and especially oil topics. The forum offers an outstanding networking platform.

The President, the Secretary General and the Secretary of the Coordination Committee attended the Round Table discussion where more than 100 representatives from all over the world took part. The President gave statements on investment, sustainability and partnership and also took the opportunity to invite Ministers and CEOs to the First IEF-IGU Ministerial Gas Forum which will take place in Vienna on November 24.

BAS

● Visit to NIGC in Tehran

The Secretary General attended the 2nd Iran Gas Forum in Tehran, June 15-16. This conference and exhibition is organised by the National Iranian Gas Company (NIGC) and is strongly supported by leading people in the Iranian energy sector from government and industry. The Secretary General gave a keynote speech in which he underlined the important contributions from Iran to IGU activities, and pointed to the potential of Iran, with the world's second largest gas reserves, to become a significant gas exporter.

In meetings with the Minister of Petroleum and the Deputy Minister and Managing Director of

NOVATEK

Russia's largest independent gas producer and the second-largest natural gas producer

2007 Operating Highlights

Consolidated Production	
Natural gas	28.5 bcm
Crude oil and gas condensate	2.5 mmt
Total	207 mmboe
Reserve Base	
Natural gas (proved, SEC)	653 bcm
Natural gas (proved+probable, PRMS)	1,029 bcm
Total reserves (proved, SEC)	4,678 mmboe
Total reserves (proved+probable, PRMS)	7,562 mmboe
Five-year average Reserve Replacement Rate	158%
Reserve-to-production life	23 years

www.novatek.ru/eng

Barbara Schmid addresses the 6th Russian Petroleum & Gas Congress.

NIGC, IGU also got strong commitment to the IEF-IGU Ministerial Gas Forum which is considered an excellent platform to promote the Iranian gas industry.

BAS

Floriana Dedović and Erik Gonder staff the joint IGU/WGC 2009 stand at WPC-19.

● 6th Russian Petroleum & Gas Congress

IGU and Gazprom jointly sponsored the Gas Day at this major energy event which was held in Moscow, June 24-26.

There were two sessions and the Secretary General chaired the one related to upstream activities of the Russian gas industry. Furthermore, IGU provided keynote speakers to both sessions: the Chairman of WOC 1, Vladimir Yakushev, gave a presentation on Russian Gas Reserves, and Barbara Schmid gave a keynote speech on the Global Challenges of the Gas Industry from an IGU Perspective.

BAS

● IGU at WPC-19

IGU and the organisers of WGC 2009 had a joint stand at the 19th World Petroleum Congress in Madrid, June 29-July 3, which was a highly frequented meeting and information point.

During the WPC's Council meeting the Secretary General congratulated WPC on its 75th anniversary and successful history, and briefed delegates on current IGU activities.

FD

● UN Gas Centre Conference

The Advisor of the IGU Secretariat, Erik Gonder, attended the 13th UNECE Gas Centre High Level Conference on deepwater gas production and processing in Molde/Nyhamna, Norway, June 3-5. StatoilHydro, being the host of this event for members of the UN Gas Centre, had prepared a programme which included a visit to the onshore receiving facilities of the Ormen Lange gas field.

Shell, the operator of the production phase of the field, gave a presentation about the new deepwater techniques that were applied in developing Ormen Lange, a field which has subsea production templates located at around 1100 metres below sea level.

EG

About SNH

SNH is a State-funded industrial and commercial company, endowed with financial autonomy.

- SNH ensures the promotion of the national mining domain, in partnership with oil companies, which it incites to invest in exploration, exploitation and production. Oil production in 2007: 31.25 million barrels.
- SNH commercializes, on the international market, the share of national crude oil production accruing to the State. Income derived from these sales is transferred to the Public Treasury after deduction of production costs in 2007 : FCFA 504.713 billions.
- SNH is engaged in the valorization of gas resources. Within this framework, there is the project to exploit the Sanaga Sud gas field, which will supply gas to the thermal power plant to be constructed in the city of Kribi, by 2010.

As from 1994, SNH embarked on a diversification of its activities. Its holdings have grown from the shares held exclusively in oil sector companies to include 13 companies as of January 2007.

Transparent methods of management

- Transparency in the negotiation and signing of oil contracts, with the involvement of all public administrations concerned.
- Regular transfers to the Public Treasury, of income derived from the sale of the share of national crude oil production accruing to the State, after deduction of all costs.
- Regular auditing of corporate accounts by renowned national and international audit firms.

Cameroon adhered to the Extractive Industries Transparency Initiative (EITI) in March 2005. SNH is member of the monitoring committee for the implementation of the principles of this initiative in Cameroon.

The National Hydrocarbons Corporation

Inviting you to invest in the Cameroon gas sector

Key figures of Cameroon's gas resources

- The total recoverable reserves are estimated at 9.14 TCF, or 274 billion m³, and total resources at 23.19 TCF, or 695 billion m³;
- The total volume of gas flared on the active rigs in 2006 is about 1.8 billion m3.

Main projects

- The Kribi gas-to-power thermal plant;
- Power generation from the Logbaba field;
- LPG distribution;
- Construction of LPG storage tanks; and
- Exportation of LNG to Equatorial Guinea.

Contact

P.O. Box: 955, Yaoundé, Cameroon
Tel: (237) 22 20 98 64
(237) 22 20 98 65
Fax: (237) 22 20 46 51
(237) 22 20 98 69

◄ Gas flared on a platform in the Rio del Rey basin

A stimulating legal and regulatory framework

The gas code, which was adopted in 2002, offers incentives to potential investors in the gas sector. This code provides for:

- the concession regime for transport and distribution activities;
- the licence regime for processing, storage, import and export activities; and
- the authorisation regime for activities related to the sale of gas, importation, and installation of equipment and material to start up gas transportation and distribution networks.

Reliable partners

- ***Upstream:*** SNH, Total, Shell, EurOil, Perenco and Noble Energy;
- ***Downstream:*** SONARA, CSPH, Hydrac, Tradex, First Oil, SCDP, SCTM, CAMGAZ, Mobil and Total.

IGM: The IGU Marketing Committee

By Marc Hall

The 101st session of the IGU Marketing Committee (IGM), formerly Intergas Marketing, was hosted by The Taqa Arab Company for Energy, March 19-20. The meeting took place in the Egyptian capital of Cairo with the flair of its millennium-old history.

IGM is a meeting point for marketing experts from all over the world allowing them to exchange experiences and strategies of how to market natural gas.

IGM has two Study Groups with Study Group M.1 dealing with natural gas and renewables using a marketing approach, and Study Group M.2 investigating how marketing can contribute to promoting natural gas in new areas and new technologies.

Marc Hall, Chairman of IGM.

Meeting report

During the two-day session in Cairo, delegates discussed IGM's presentation and report for the 24th World Gas Conference in Buenos Aires in 2009. The plan is to organise an interactive multimedia event addressing the opportunities and strategies for promoting natural gas as a secure, reliable and affordable energy service with minimal environmental impact.

During the planned two-hour slot there will be an interactive information show with a panel of experts and celebrities (3-4 persons). This will be complemented by short film sequences, statements and a question and answer session involving the audience.

IGM delegates in a work session (ABOVE) and posing for a group photo (OPPOSITE) during the Cairo meetings.

Study Group M.1

Leader: Lars Møller Jørgensen (Denmark)
lmjoe@dongenergy.dk
Co-Leader: Anne Sypkens-Smit (The Netherlands)
The group had good discussions around the topic "Natural Gas and Renewables" as the current level of its usage and importance differs from region to region. Furthermore, ideas for the introductory film for the session in Buenos Aires were discussed.

Study Group M.2

Leader: Khaled Abu Bakr (Egypt)
k.abubakr@taqa.com.eg
Co-Leader: Alexander Moiseev (Russia)
The group plans to present three projects in Buenos Aires as good examples of how technological developments can contribute to society by turning environmental advantages into customer benefits. The projects are:

- Mother-daughter CNG system (Iran);
- District cooling (Egypt); and
- Micro cogeneration (France, Greece, The Netherlands).

Future plans

Any IGU member is invited to participate in IGM's activities and the Committee and its two Study Groups welcome new participants, in particular from dynamic organisations or markets in transition.

The next IGM Plenary Session and Study Group meetings are scheduled for October 30-31 in Munich, Germany, hosted by Bayerngas. The first meetings of 2009 are planned to be held in March or April in Iran.

Marc Hall is the Chairman of the IGU Marketing Committee. For more information please contact him at Marc.Hall@bayerngas.de or Barbara Anette Schmid of the IGU Secretariat at basch@statoilhydro.com.

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This is your city.
How will you power it?

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To help encourage greater understanding and discussion toward solutions, Chevron brings you Energyville, an online, interactive game that puts you in charge of meeting the energy demands of your city. It's a chance to put your theories into practice. Choose from a portfolio of energy sources to power your city today, and through 2030. Every decision you make will affect the environment, the economy, and your city's security.

After you play, share your results and challenge others. Because only when we come to understand and discuss the energy problems our planet faces, can we find the inspiration and know-how needed to solve them together.

Play it. Power it. Discuss it.
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News from Organisations Affiliated to IGU

IGU has two new affiliated organisations, the International Pipeline & Offshore Contractors Association (IPLOCA) and the Energy Delta Institute (EDI). Prior to the signing of the affiliation agreement, IPLOCA's Executive Secretary gave an overview of the Association in the October 2007 issue of the IGU Magazine (see pages 180-181), and in this issue we have an article about EDI.

Meanwhile, one of IGU's longstanding affiliated organisations, IANGV, held its 11th Biennial Conference and Exhibition in Rio de Janeiro, Brazil, June 3-5, and here we publish the message of the then IANGV President John Lyon to delegates at the opening ceremony. Immediately after the event IANGV members elected Richard Kolodziej as President for a two-year term to succeed John Lyon, who had completed a term that had commenced in Egypt in 2006. Kolodziej, who is President of NGVAmerica (the national NGV association in the United States), is only the second American to serve as IANGV President in the organisation's 22-year history.

Graduates of the Executive Master of Petroleum Business Engineering (MPBE) received their diplomas, 23 January, 2008.

Energy Delta Institute: Knowledge Junction on the Groningen Gas Field

By George Verberg

EDI is an international business school for the energy sector, with a focus on natural gas, and aims to contribute to the development of current and future energy managers. To this end, it coordinates research projects (Knowledge Projects) and organises educational programmes (Knowledge Transfer). Apart from an in-depth overview of technical developments in the energy sector, EDI concentrates its training programmes on economic, managerial, legal and geopolitical aspects of the oil and gas value chain. EDI offers its participants and others involved, a unique international knowledge network.

EDI is headquartered in Groningen, home to Western Europe's largest gas field, and its Executive Board consists of representatives from the boards of N.V. Nederlandse Gasunie and the University of Groningen.

EDI is very proud to have become an organisation affiliated to IGU and hopes to be able to benefit from IGU's expertise for its own training programmes.

Programmes

Risk analyses and decision making form the core of every management process, and oil and gas companies often use very advanced techniques. Managers in the oil and gas sector should, therefore, understand the way a decision making process is organised and how they should interpret the results of highly sophisticated models. They will also have to keep track of business, geopolitical and technical developments in the sector, and of new general management techniques. Given the limited amount of time available for training for those working in the energy sector, EDI creates an

EDI's headquarters in Groningen, The Netherlands

optimal mix of these different components in its training programmes. Its programmes are unique because:

- EDI is a platform for open discussion and knowledge exchange, based on a long-standing university tradition.
- EDI is supported by leading companies that provide the latest knowledge and insights. These industry leaders, such as Shell, Gazprom, RWE, Gasunie, GasTerra, Electrabel and Essent, provide both lecturers and participants to the programmes.
- EDI arranges site visits to enhance the learning process.
- EDI combines the knowledge of Western European countries and Russia (Gazprom).

Over the past few years EDI has been providing both open-market and in-company training programmes to major players in the energy industry. These training programmes can be classified into various categories:

Executive Master Programmes:

- The Executive Master of Petroleum Business Engineering in cooperation with Delft University of Technology;
- The Executive Master of Finance and Control for the Petroleum Industry in cooperation with PriceWaterhouseCoopers;
- The Flexible Executive Master of Gas Business Management, consisting of three modules, i.e. the Natural Gas Strategy Course, the Gas Market Regulation Course and the Large Energy Projects Course. These modules can also be followed on a stand-alone basis.

COURSES AT EDI COVER TOPICS ON DIFFERENT LEVELS OF THE GAS INDUSTRY.

	General		
Policy Level	– Geopolitics and oil & gas – Gas market regulation – Energy law – Sustainability – Public-private partnerships – Security of supply		
Economic Level	– Corporate governance – Business strategy development & scenario planning – Large energy projects – Financial risk management – Mergers & acquisitions – HSE		
	Upstream	Midstream	Downstream
Economic Level	– Reserves estimation	– Gas contracting & pricing – Gas trading & spot markets – IT in the gas industry	
Technical & Managerial Level	– Enhanced recovery – Life cycle management – Decision making & risk analyses	– Dispatching – LNG – Underground gas storage – Infrastructure asset man. – Pipeline integrity man. – Gas quality & blending – UGS design	– Gas & energy efficiency – Cogeneration – Gas to Power – CO_2 sequestration – Gas vehicles

RIGHT
Figure 1.

Specialised topics:

- Short programmes on specific topics, such as the Master Class Developments in Gas Trading, Master Class Developments in LNG, the Underground Gas Storage Course and Strategic use of IT in the Gas Industry.

Introduction courses:

- These include the International Gas Value Chain course for those starting off in the European energy industry.

In-company programmes:

- Tailor-made training programmes and workshops e.g. about gas dispatching, gas contracting and pricing, pipeline integrity management, gas reserves estimations, finance and controlling and energy law.

The courses cover topics on different levels of the gas industry (see *Figure 1*).

Cooperation

To make sure all its research and training programmes correspond to the needs of the market, EDI works closely with its strategic partners N.V. Nederlandse Gasunie, OAO Gazprom, GasTerra, Shell, RWE and the University of Groningen, and with its associated partners Electrabel and Essent. EDI furthermore cooperates with organisations and knowledge institutes such as Clingendael, TNO, Nederlandse Aardolie Maatschappij (NAM), Delft University of Technology, Oxford International Energy Studies (OIES), MGIMO (Russian State Institute for International Relations), Gubkin


Energy Delta
Institute
Knowledge is power.
Tap our power.
International energy knowledge hub on the Groningen gas field
The fascinating world of energy is rapidly changing. You want to be one of its future leaders. Thus you need a constant supply of knowledge. Energy Delta Institute (EDI) gives you access to industry expertise and academic analyses on key aspects of the oil and gas business. EDI is a cooperative agreement between N.V. Nederlandse Gasunie, GasTerra B.V., OAO Gazprom, the University of Groningen, Shell and RWE. Electrabel and Essent are involved with EDI as associated partners.
EDI's knowledge tap offers insights into economic, legal, geopolitical and management issues of energy, with a focus on natural gas. It combines the experience of renowned gas companies and the outstanding theoretical knowledge of top-of-the-bill universities. And all this from the natural gas country par excellence. That's what we call a successful knowledge offer!
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EDI is a partnership of:
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Associated partners:
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www.energydelta.org

(Russian State University for Oil and Gas), the Institut Français du Pétrole (IFP) and many others. The combination of the business experience of EDI's gas partners and the established theoretical knowledge of EDI's academic partners creates a unique, outstanding knowledge platform, where those involved have access to the knowledge of leading energy companies.

Other activities

Apart from the development and organisation of training programmes, EDI acts as an important means of deepening relations between its partners. In the six years of its existence, EDI has built a close relationship with Russian energy giant Gazprom, which has resulted in a steady increase of Gazprom's involvement with EDI. Members of the Board of EDI's strategic partners meet annually, not only to discuss EDI's results, progress and plans, but also to strengthen their mutual bonds. EDI furthermore is involved with the organisation of conferences and seminars, the publication of books and management of several projects for various clients.

History

In 2000 a delegation of the Dutch government and of Dutch natural gas company N.V. Nederlandse Gasunie signed a first contract with the Russian government and OAO Gazprom for the import of natural gas. All parties realised that not only would an exchange of gas molecules be important for the relationship between both countries, but that an exchange of knowledge would certainly contribute as well. Knowledge is power and with over 40 years of unique gas experience, The Netherlands is the country par excellence to share this knowledge with others. And thus, the idea of a knowledge institute was born. To both the Dutch and the Russians, having an academic partner involved was extremely important. Therefore the more than 380-year old University of Groningen was approached and became the third founding father of a top-class business school for energy: Energy Delta Institute.

With the splitting up of Gasunie into a transport and a trade division (called GasTerra B.V.) EDI got itself an extra partner. The partnership was further extended with strategic partners Shell and RWE, whilst Electrabel and Essent are involved as associated partners. These partners all have a seat on EDI's Programme Councils and contribute to the development of its training programmes.

George Verberg is the President of EDI and the Immediate Past President of IGU. For more information, go to www.energydelta.com.

● IANGV projects 65 million NGVs by 2020

By John Lyon

I have been in the energy business for 48 years and the NGV and environmental business for the last 16 of those years. The past seven years in our business have been an unbelievable success story for the industry. And with oil at $130 a barrel and the world finally recognising the environmental, geopolitical and the never-ending growth challenges we face, NGVs are being recognised as one of the solutions to the world's energy and environmental problems.

Natural gas vehicles appeared on the scene as a practical alternative to gasoline and diesel powered vehicles during World War II. It took 60 years to grow the global NGV population to only 1.7 million vehicles by 2001. Those of us who have been in the industry for a long time, remember well all the efforts expended to develop standards, vehicles, fuelling infrastructure, industry associations, government support and an awareness of the many benefits of NGVs compared to conventionally fuelled vehicles. These activities successfully positioned the industry for the rapid growth that we are now enjoying today.

Between 2001 and today something happened to drive the NGV population to over 7 million vehicles, an astounding annual growth rate of 26%.

First ultrasonic high pressure flow metering station between Russia and an EU country.

Gasum Oy is a Finnish gas transmission company responsible for natural gas imports from Russia, transmission and selling of natural gas to customers in gross market. Natural gas represented about 10% of primary energy need in Finland and totalled 44 bcm in 2007. During 2008, Gasum will commission a new, 3rd generation gas receiving station in Imatra, located on the Finland – Russia border, which utilises modern ultrasonic flow metering.

The receiving station was originally built in 1974 and was gradually extended to consist of several orifice based flow metering lines. In order to increase the capacity of the station and to ensure reliable operation Gasum started in 2004 to discuss with the gas seller, Gazprom Export Ltd, about modernisation alternatives.

These discussions came to the conclusion that ultrasonic flow metering could be the best solution and a test period was agreed. During the test one ultrasonic flow meter was installed into the same meter run with an existing orifice meter and a 6 month comparative test was performed. Based on the good test results Gasum Oy and Gazprom Export Ltd agreed to start the modernisation of the station with ultrasonic meters.

Modernisation started in autumn 2007 and the first section of the station will be commissioned in September 2008. This section consists of three DN500 at 54 bar meter runs installed with Elster-Instromet Q.Sonic-5 ultrasonic meters. The second section will be commissioned in October 2008 and it consists of four DN400 at 54 bar meter runs with similar flow meters as the first section.

In addition to meter runs, the station will be equipped with new process chromatographs and flow metering supervisory system and reporting. Also the station piping will be renewed together with a 1 kilometre gas transmission pipeline from the Finnish border to the station. This new pipeline from the border will allow pig inspections of the pipeline all the way from St Petersburg to Imatra.

GASUM – PIONEERING IN ULTRASONICH HIGH PRESSURE FLOW METERING

Gasum is a Finnish gas transmission company responsible for natural gas imports from Russia, transmission and selling of natural gas to customers in gross market. During 2008 Gasum will commission a new, 3rd generation gas receiving station in Imatra, located at Finland – Russia border, which is utilizing modern ultrasonic flow metering.

The company's goal is to be a strong player in developing the natural gas business – an active pioneer, now and in the future.

Gasum Ltd, Head Office:
Miestentie 1 / P.O. Box 21 FI-02151 ESPOO • Tel. +358 20 4471 (group switchboard)
www.gasum.fi

Gasum

The opening ceremony of NGV 2008.

So, what happened? Many countries in the world finally became aware that NGVs were an important part of the solution to the major global challenges. Specifically they:

- Improve energy choice flexibility;
- Improve security of energy supply;
- Improve world economic stability (dampen oil price fluctuations);
- Improve the balance of payments;
- Can use renewable energy (biomethane);
- Reduce greenhouse gases by 25%; and
- Reduce harmful vehicle emissions.

Today's industry projections show that at a conservative growth rate of 18% per year, there will be 65 million NGVs by 2020, representing 9% of the world's vehicle population and reducing oil demand by 7 million barrels per day.

In addition to readily available vehicle conversion packages, a growing number of automobile companies are realising the huge potential market and are now producing excellent and competitive natural gas vehicles.

Many gas producing and gas delivery companies are now recognising that by 2020 NGVs will represent a 400 bcm per year market (16% of today's total world gas demand). Aggressive market development strategies by these energy companies are key to the success of the NGV industry.

All the elements are in place for the continued rapid growth of the NGV industry, however there is substantial competition from other fuels and many roadblocks that must be overcome. In order to achieve our objective of 65 million NGVs by 2020, we as an industry must work diligently together to provide the market with what it needs and to ensure the market place is aware of the benefits of NGVs. Specifically:

- Governments must implement and support long term NGV (natural gas and biomethane) strategies;

- Vehicle original equipment manufacturers (OEMs) should increase production of NGVs and continue to develop new models;
- We need to increase availability of economic, reliable, safe and environmentally friendly vehicle conversions;
- We need to aggressively develop the CNG refuelling infrastructure; and
- The natural gas industry needs to develop strategies to aggressively advance the use of NGVs: a 400 bcm per year market.

Industry associations are critical to the success of NGVs' rapid growth. The IANGV is the umbrella association for the industry which works with regional and national associations to achieve the industry's objective.

Objective

IANGV aims to grow NGV market share to 9% (65 million NGVs) of worldwide vehicle population by 2020 through:

- Government lobbying and policy assistance;
- Providing industry information to members and stakeholders;
- Standards development, harmonisation and dissemination;
- Organising industry conferences, including our own conference held every two years (after Rio the next one will be in Rome in 2010, followed by Korea in 2012);
- Collecting relevant statistical data;
- Facilitating technical information exchange; and
- Marketing and industry awareness activities.

It is critical that the NGV industry does everything it can to contribute to an improved world environment.

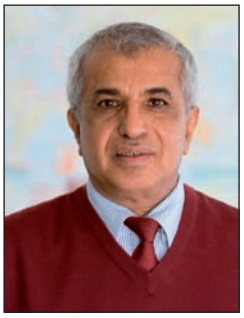
John Lyon is the President & CEO of FuelMaker Corporation and the Immediate Past President of IANGV (www.iangv.org).

John Lyon (CENTRE) opens the NGV 2008 exhibition with R. Fernandes, Chairman of the NGV 2008 Technical Committee (LEFT), Julio Bueno, Secretary for Energy of the State of Rio de Janeiro (SECOND FROM RIGHT) and Alvaro Teixeira, Executive Secretary of the Brazilian Institute of Petroleum – IBP (RIGHT).

Building the Talents Needed for Tomorrow

"We are grateful to Yemen LNG and those entities which hosted us during our on-job training. We are determined to maintain the enthusiasm and spirit of self-development in the years to come". With this heartfelt statement, a graduating technician trainee spoke on behalf of his colleagues at the graduation ceremony of Yemen LNG Company's first intake of Technicians, Operators and Administrative and Technical Assistants which was held in Sana'a on Saturday 31 May 2008.

The ceremony, which was also attended by the Minister of Oil and Minerals and the Governor of Shabwah, marked a life changing transition for 85 Technicians and 11 Technical and Administrative Assistants from their trainee status, to that of permanent employees in the Operations department at the Balhaf Liquefied Natural Gas (LNG) plant. The former technical trainees have successfully completed an intensive training programme of up to 24 months covering an array of subjects ranging from English language skills, Health Safety and Environmental (HSE) awareness and the principles of Oil & Gas Technology, to specific courses in the process, mechanical, electrical and instrumentation disciplines. In addition to Information Technology and theoretical training, Yemen LNG refurbished and fully equipped a maintenance training workshop at the state-run vocational training institute in Sana'a to give trainees the opportunity to gain practical hands-on experience in specific technical areas. This was followed by on-job training (OJT) in oil and industrial installations in Yemen, hosted generously by entities such as the Aden Refinery, Total E&P Yemen, Jannah Hunt and the Heziaz electrical power station. At the end of their training in Yemen, technical trainees were sent abroad on 5-month on-job training at two LNG plants, namely PT Badak LNG in Indonesia and SEGAS in Egypt where they were exposed to the real life daily activities of fully operational LNG terminals.



Faisal Haitham, Deputy General Manager, Yemen LNG Company.

Practical Training at the Workshop of a Sana'a-based Technical Training Institute.

In addition to these 96 graduates, Yemen LNG has currently a further 108 technical and administrative trainees at varying stages in their training programmes, amongst whom are 13 trainees who are completing an internationally recognised fire-fighting course at the Omani Safety Engineering College.

Launched in August 2005, Yemen LNG Company is the largest industrial investment ever undertaken in the country. It is currently constructing a natural gas liquefaction plant on the coast of Yemen at Balhaf in Shabwah Governorate, and an associated 320-kilometre pipeline to connect the gas production facilities in Marib to the LNG plant. The construction currently involves around 12,000 people in Balhaf and the pipeline as of May 2008.

Conscious of the number of skilled workers needed for start-up and operation of the plant, and in keeping with its commitment to Yemenisation, Yemen LNG Company established its own transitional Training Centre in Sana'a in April 2006 with the objective of training and developing young Yemenis to join the Operations teams in time for commissioning, start-up and operation of the plant. Additionally, a permanent Training Centre has been built at Balhaf and has been in use since 15 May 2008 to continue the development of the Company's workforce throughout the 20-25 years of operations.

All of these 96 young Yemeni Technicians, Process Operators, Technical Assistants and Administrative Assistants will have started working at Balhaf by the end of June 2008 marking an important milestone towards building a highly skilled Yemeni workforce in fulfillment of its Yemenisation commitment.

Yemen LNG Graduates with H.E. Minister of Oil and Minerals, Mr. Amir Salem Al-Aidarous.

Yemen LNG... Investing in People

Yemenisation is an integral element of Yemen LNG's objectives and the agreements which have been signed between Yemen LNG and the Government of Yemen. It is defined as a programme for the gradual replacement of expatriate personnel by Yemenis. The Company's objective is to recruit Yemeni nationals whenever possible at all levels in the organisation. In order to enhance the technical competencies of young Yemenis, Yemen LNG has established a comprehensive training programme to enable them to take up positions within the Operations team based in the Liquefied Natural Gas (LNG) plant at Balhaf.

Already, in spite of the complex technical requirements of construction activities, around 66% of all positions in the long-term organisation are filled by Yemenis, staff or trainees. Yemen LNG aspires to achieve 90% Yemenisation by the end of 2015.

Technicians' 1st Day in Balhaf – May 2008

39.62% 16.73% 17.22% 9.55% 6.00% 5.88% 5.00%

WWW.YEMENLNG.COM