

The Kuwaiti Digest

April - June 2009

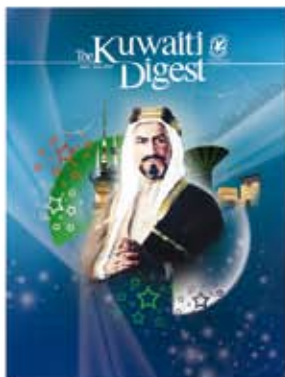


شركة نفط الكويت
Kuwait Oil Company



The Kuwaiti Digest

April - June 2009



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Cover:

As Ahmadi celebrates its 60th anniversary, our cover shows His Highness the late Amir Sheikh Ahmad Al-Jaber Al-Sabah, in whose honor the area was named after oil was discovered there.

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Khaled Madhi Al-Khamees
Deputy Managing Director
Administration and Finance

The first quarter of 2009 witnessed KOC's involvement in many international conferences, and highlighted the increasing importance of gas development and offshore exploration. Also in focus was the decline in world oil prices, how this will affect both short and long-term projects, and how the Company can take advantage of the lower prices.

Looking internally, the Company continued with several projects aimed at increasing the quality, efficiency and effectiveness of work through re-organization, state-of-the-art teleconferencing, development of processes, and new employee reward systems. KOC's HSE Group also took a proactive step when it comes to the environment by analyzing current State regulations and suggesting areas for improvement.

A big change for many employees has been the move to the New Office Complex located in the industrial area. Aimed at increasing communication and operating efficiency, the mega-complex brings over 2,500 employees together in a team atmosphere. With the total move expected to be completed during the month of May, the new complex, along with the Head Office, will be the center point of KOC management and administration.

The first quarter would not be complete without reference to the National and Liberation Day celebrations. As such, KOC opened its Spring Camp to all employees and their families for two days of fun and revelry. In addition, the Town of Ahmadi organized its own celebrations, particularly significant this year as the Town celebrates its 60th Anniversary.

Gas Arabia 2009

The Kuwait Oil Company's Future Outlook



Mohammed Husain
DC and DMD-Planning & Gas

Although oil may be the first word that comes to mind when one thinks of the Arabian Peninsula, natural gas is also an important resource and is gaining in significance. The discovery of natural gas in the State of Kuwait in 2000, and officially announced in 2005, resulted in the Kuwait Oil Company (KOC) becoming a prominent player in the region, as evident with the participation of the DC and DMD-Planning & Gas, Mohammed Husain in the 4th Annual Gas Arabia 2009. Guests at the 3-day event were welcomed by Ismail Al-Ramahi, General Manager – Gas Processing Division, Exploration and Production Directorate, Abu Dhabi National Oil Company (ADNOC), and were privy to a broad range of information on gas activities in the region, from upstream exploration

and production to downstream processing and transportation. In addition, challenges facing the industry and available technology to overcome them were also discussed. The 2009 Sour Gas Middle East Workshop was affiliated with the conference, and concentrated on the most recent developments in the processing and handling of sour gas (gas with a high concentration of hydrogen sulphide), as well as dealing with CO₂ emissions and developments in the sulphur market.

In addition, supply, demand, and pricing were discussed as they are currently important issues and will be affected by planned activities in the region; for instance, according to the energy exchange, by 2018, the oil & gas industry in the GCC will have invested over \$320 billion. Qatar's liquid natural gas (LNG) production should reach 77 million tons per year by 2010 and Iran is planning on developing its reserves to become the second largest exporter of gas in the world (after Russia). Also the UAE will be developing its sour gas reserves.

Serving as a Key Panel Member in the first session on "Overview of the current climate and future outlook of the Middle East gas market", Husain presented the

roadmap for future gas business in Kuwait. Part of his presentation involved an overview of the natural gas situation within the State of Kuwait, including phased gas development in North Kuwait. The production of natural gas is proceeding according to schedule and 160 MMCFD are currently being produced. In addition, plans to increase production to 600 MMCFD by 2011 are realistic and will require the use of innovative technologies. Consequently, various models, including probabilistic economic modeling, dynamic compositional modeling with tubing model development for forecast scenarios, geo-static modeling of all structures, and joint reservoir studies using analogues, fracture modeling, fluid, and rock properties data, are being used to optimize recovery.

Husain also emphasized that associated infrastructures to accommodate the gas and its affiliated products such as ethane, propane, butane, and sulphur are also being examined and plans are in place for the construction of appropriate infrastructure along the value chain. Having proper integration of the value chain from exploration to export or end-user is particularly important when it comes to natural gas; gas, unlike oil, is difficult and costly to be stored or exported. In the past, flaring of excess gas was widely practiced, but KOC has a goal of a maximum of 1% gas flaring by 2012.

According to Husain, Gas Arabia was a very successful and valued event and discussions relating to sour gas will be useful to KOC. So, within a relatively short time span, KOC is an active participant in the region and is on track with planning, exploration, and investment to complete the requirements needed to meet its gas production expectations.

Ahmadi City's 60th anniversary celebrations enjoyed by all

HH the Crown Prince graces prestigious event



Ahmadi residents turned out in large numbers to enjoy music, dance, drama and the singing of traditional Kuwaiti folk songs, *Yamal*, *Samiri*, and *Ardha*, at a celebration of Ahmadi City's 60th anniversary held at the Ahmadi Cricket Ground on Tuesday March 17. The event's sponsor and guest of honor, His Highness the Crown Prince Sheikh Nawaf Al-Ahmed Al-Sabah, was welcomed on his arrival by His Excellency the Governor of Ahmadi Sheikh Dr. Ibrahim Al-Duaij Al-Sabah.

Among the other prominent figures attending the celebration were His Highness the Prime Minister Sheikh Nasser Al-Mohammed, the Vice President of the National Guard Headquarters Sheikh Meshal Al-Ahmed and the First Deputy Prime Minister and Minister of Defense Sheikh Jaber Al-Mubarak.

The main feature of the event was the Kuwaiti-themed show, 'Umm Al-Khair Al-Ahmadi,' with a large number of male and female Ahmadi school

pupils performing dramatic scenes recounting important moments in the area's history. This was accompanied by traditional Kuwaiti folk dances, and was greatly enjoyed by all. The event, showcasing Kuwaiti music and art, reflected the area's deeply rooted history, as well as looking forward to a bright and glorious future for Kuwait.

In addition to the children and other performers, a diverse variety of well-known local and regional singers also appeared in the show, which was well attended by Ahmadi residents as well as the high-level guests.

The event began with the singing of the Kuwaiti national anthem and the recitation of some verses from the Holy Quran. After this, His Excellency the Governor of Ahmadi delivered an inaugural speech, expressing the gratitude and appreciation of the people of Ahmadi Governorate and thanking His Highness the Crown Prince for sponsoring and attending the prestigious celebration marking

this momentous occasion in Ahmadi's history, which he said was dear to the hearts of all Kuwait's people. The celebration was a recognition of the continuing esteem felt for Ahmadi's founder His Highness the late Amir of Kuwait His Highness Sheikh Ahmed Al-Jaber Al-Sabah, whose name is inextricably bound up with the area, he added.

H.E. Sheikh Dr. Ibrahim Al-Duaij continued, "Ahmadi City has expanded immensely, comprising various constructions, residential buildings and populated areas, reflecting its significant role in the history of Kuwait as a source of oil since excavation and drilling first began in 1946, an image which confirms that Ahmadi City is an unprecedented source of goodness and benefit for Kuwait's people. As fresh water gushes forth from under the ground, so this oil sprang from Ahmadi's land; both are a blessing visited on us by Almighty Allah, the great Creator, hence environmental



and economic balance in the universe is brought about.”

The Ahmadi Governor emphasized the importance of the area’s history since His Highness Sheikh Ahmed Al-Jaber first inaugurated oil drilling operation, saying “The current generation, as well as future ones, should be aware that this history is not only calendar dates and figures, but rather it is a story of industrious leadership and people.”

H.E. Sheikh Dr. Ibrahim Al-Duaij explained, “Ahmadi City was founded to fulfill the country’s technological potential, which has led to it becoming the symbol of Kuwaiti society’s progress towards virtually limitless horizons. Ahmadi City stands as a beacon, marking the beginning of a

Ahmadi Governors

Prior to His Excellency Sheikh Dr. Ibrahim Al-Duaij’s assuming the position of Governor in 2006, Ahmadi has had seven Governors since 1949. These are:

• H.E. Sheikh Jaber Al-Ahmed Al-Sabah	1949 - 1962
• H.E. Sheikh Jaber Al-Abdullah Al-Sabah	1962 – 1985
• H.E. Sheikh Jaber Mubarak Al-Sabah	1985 – 1986
• H.E. Sheikh Ali Sabah Al-Salem Al-Sabah	1986 – 1990
• H.E. Sheikh Mohammed Al-Khalid Al-Sabah	1991 – 1996
• H.E. Sheikh Ali Al-Jaber Al-Salem Al-Sabah	1996 – 1999
• H.E. Sheikh Ali Al-Abdullah Al-Salem Al-Sabah	1999 – 2006

modern country which pursued its passion to achieve self-actualization in the Gulf region, the Arab world and the international community.”

Modern day Ahmadi City is not merely a symbolic historic site, he said, but also reflects Kuwaiti society’s success in advancing technologically and materially while adhering to the values of the sacred religion of Islam. It is, he asserted, living evidence of Kuwait’s splendid heritage, along with its tremendous achievements and advances in business, technology, creation and development.

Ahmadi Facts

- Ahmadi City is located around 40 kilometres south of Kuwait City
- The area, named after Sheikh Ahmad Al-Jaber Al-Sabah, was selected as the capital of Kuwait’s oil industry due to its important location
- The company built Ahmadi City for its employees as an elegant residential area, complete with all public services, medical services and recreational facilities.
- Beside the paved roads landscaped on either side with trees and flowers, KOC built parks, mosques, churches and schools, amongst other facilities, for its workers and their families.
- Within the original town was the Hubara Club - a complex of buildings with a swimming pool, meeting rooms, restaurants, squash courts, tennis courts etc. Employees of KOC would meet here every day to relax and socialize, with their children spending most of their free time here. Towards the bottom of the hill was the ‘souk’ or shopping area; this included banks, a cinema that has since closed down, and a few shops.
- Ahmadi Governorate comprises a number of areas.

KOC’s contribution to the celebrations

It’s important to remember the contribution of the Ahmadi Services Group in providing logistic support not only in ensuring that major events like the 60th anniversary celebration go smoothly, but in supplying water, electricity and other utilities for the entire area.

Global Partners for Energy and Environment Offshore Arabia Conference & Exhibition

The Kuwait Oil Company (KOC) emphasized its interest in offshore oil exploration and development through its platinum sponsorship of the third Offshore Arabia Conference & Exhibition, which took place in Dubai in January of this year. The conference, which included papers and roundtable discussions, highlighted scientific, social, and economic issues pertaining to the exploration for additional resources, notably offshore. It also focused on NOC and IOC cooperation, the

regional energy supply and demand, and electricity and water supplies.

Organized by the Regional Clean Sea Organization (RECSCO), the conference was held under the patronage of H.H. Sheikh Mohammed bin Rashid Al-Maktoum, Vice President and Prime Minister of the United Arab Emirates and Ruler of Dubai, the conference and exhibition was presided over by H.E. Rashid Ahmed bin Fahad, UAE Minister of Environment and



Regional Clean Sea Organization

RECSCO is the environmental arm of the oil, gas, and tanker companies in the GCC region. Founded in 1972, its principle aim is to protect the Gulf environment from pollution, be it from oil-related activities, urban growth, tourism, or trade and commerce. Consequently, RECSCO works at increasing awareness and seeking solutions to the many problems facing the region. Offshore Arabia is just one of these activities.

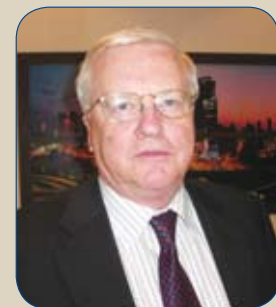
An Interview with Dr. Martin Lees

Dr. Martin Lees, Secretary General of the Club of Rome, an organization that draws attention to the dilemma between economic growth and the conservation of a fragile environment, and questions the idea that growth can just simply go on forever on a finite planet. The Club of Rome is engaged in a major international program of research and cooperation to define the elements of what is called a 'new path of world development'.

What are the main problems today in terms of this dilemma?

The problems that we identified 40 years ago unfortunately still exist today, and the present path of

world development is, for a number of reasons, running into serious trouble. First and foremost is the issue of climate change. I will give you a simple example, the area



Dr. Martin Lees
Secretary General of the Club of Rome

of arctic sea ice dropped 22% in 2 years, whereas a few years ago people were saying it will be ok until 2100. We know, of course, that the climate has changed often in the past, but this is different because the emissions that we are putting into the atmosphere have led to a concentration of greenhouse gases wildly above any other level in

Water, and Prince Turki Bin Nasser bin Abdul Aziz Al-Saud, President of Meteorology and Environment, Kingdom of Saudi Arabia. The key note speech was given by H.E. Sheikh Khalid bin Khalifa Al-Thani, Director Ras Laffan Industrial City – Qatar Petroleum, and was entitled ‘Global Oil and Gas Outlook’.

KOC was represented by Deputy Chairman and Deputy Managing Director – Planning and Gas, Mohammed Husain, who took part in the conference in the keynote session. Also present from KOC were Manager - Export & Marine, Fadhil Majid Buresli; Team Leader - Public Relations, Mohammed Khalil Mahmoud; Chief PR Officer, Ahmad Mustafa Marafi; Chief Multi-Media Office, Khaled Mohammad; Planning Engineer, Salem Marafi; Supervisor-Marine Operations, Mohammad Al-Basry, PR Officer, Fatma Salem; PR Office, Mouna Al-Rayyes; Marine Maintenance Engineer, Abdul Qassem; and Marine Maintenance Engineer, Ahmad Al-Nasser.



Mohammed Husain, DC and DMD-Planning & Gas meets with Prince Turki Bin Nasser bin Abdul Aziz Al-Saud

According to Husain, the current financial crisis, including the decline in demand for oil and the corresponding decrease in price, had affected private companies in the oil & gas sector who are now reconsidering their current projects. The national companies,

however, will continue with their expansion plans, particularly exploration for new sources of oil. KOC, for instance, is looking long-term and is currently setting priorities on development projects that concentrate on the production of gas, both free and associated.

recorded history. Climate change is not just a question of the planet getting a little warmer each year, that would be nice; some people, like me in Scotland, would be happy if it got a little bit warmer. The problem is that the Greenland Icecap contains enough fresh water to raise sea levels between 5 and 7 meters alone. There the temperature rise will be about 4 degrees, and if the temperature in the Greenland Icecap rises 4 degrees we are all in trouble.

We have also seen in relation to this, that the problem of ecosystems all over the world is becoming devastating; the millennium assessment of ecosystems, which was carried out a few years ago, has identified the simple fact that species are being eliminated at 1,000 times faster than what you would call the

normal background rate. Ecosystems in the oceans and on the land absorb about half of the emissions which humans are pumping in to the atmosphere, and if these forests and oceans stop absorbing CO₂, the CO₂ stays in the atmosphere and warming accelerates. So there is a linkage between the ecosystems and the climate, which is very damaging indeed.

We are also looking into issues, of course, related to energy; which means energy security on the one hand, and the availability of what many people now call ‘peak oil’. Peak oil does not mean that there is no more oil, but rather that we cannot produce oil at a rate sufficient enough to keep up with escalating demand. That is the situation we are in now.

Finally, we are looking at issues

related to water, which in this region everybody understands is fundamentally important. These four issues of climate, ecosystems, energy, and water are integrated; you cannot solve the climate problem without saving the ecosystems, you cannot save the ecosystems without water, you cannot control the climate without doing something about energy emissions.

We, therefore, in The Club of Rome, believe that the world is not just facing a climate crisis (that would be bad enough), but quite a complicated systemic problem. In addition to this, we have what we call a development crisis; there are still two billion people living close to the poverty line all over the world, and the population is going to increase from 6.7 billion

Husain also commented on KOC's booth, which won the "best booth" award and attracted many visitors, including Prince Turki, who made interviews at the booth and listened to presentations on KOC operations.

H.E. Khamis Jumma bu Amin, President of Offshore Arabia, praised the conference, which brought together experts to give papers focusing on energy, changes in the environment, sustainable development, the role of the media, climate change issues and how to manage them. "Energy and environment are essential for sustainable development, therefore we remain focused and committed to energy, environment, advanced technologies, renewables and sustainable development. We will continue to encourage growth as a basis for all human betterment, incorporating within our mission, the UN Millennium Development goal which calls for the implementation of sustainable development and its three pillars- economic development, social



The KOC booth which won the Best Design award

development and environmental protection", Amin stated.

Sessions included the human factor and how to attract and retain energy professionals, balancing consumption with conservation, improving energy efficiency, and development while

keeping the environment in mind. The role of government was also discussed, with stresses placed on UN environmental policies, regional strategies to develop and manage growth, and the need for a Going Green strategy. Khalid Mohammad of the Information Team spoke with

today to roughly 9 billion in the lifetime of our children. If you add up the demands or the needs of this growing population, and if you recognize that increasing growth means a new middle-class, the poor planet does not have the resources to handle this growth.

We are now suffering from a financial and economic crisis across the world, so in effect, you see three related problems of climate and environment, development and poverty, and now, finance and economy. So this is the nature of the challenge we face at the beginning of the 21st century, and the question is then what can we do about all of this.

What are the solutions?

Any solution means we have to understand these linkages so that we

can find a new strategy which allows us, not just to start growing again, but also to do it in a way that does not destroy the environment, and in a way which promotes equality or equity in the world. The first step, obviously, is to recognize the urgency of these problems. Scientists are saying we only have a few years now to take action if we are to prevent what is called 'run away climate change'.

The second thing is to recognize that the roots of these problems, not just the symptoms. However, the causes of these problems are built-in to the strategy that we have all adopted for economic growth; we have picked a particular kind of growth which consumes a very large amount of material, which creates a huge amount of waste, which relies on the

intensive use of cheap energy, and which ignores the externalities, that is to say, the cost to the environment and to the climate. So our pattern of growth has to change. There is no other solution.

So there is a need for new leadership and new strategic thinking to understand the problems and develop a coherent strategy. For example the systems efficiency of the energy sector in China is very inefficient. If they could improve their efficiency to the level of mid OECD, which is not the top level but is a good level, they could grow their economy two or three times without increasing installed energy capacity. So if we use energy wisely, we could grow our economies and still not dramatically increase the need for energy. The Club of Rome



Dr. Martin Lees regarding the issues of climate change (refer to inset). In addition to the environment, health and safety were also areas presented, particularly managing health and safety in the oil and gas industry, crisis and incident management including oil spills and hazardous material management, standards

and policies of HSE, and risk management.

The Offshore Arabia Environmental Awards were also given to companies, corporations and individuals who demonstrated their effective involvement in the sustainability of the environment in the categories of: Excellence in Environmental

Applications; Excellence in Environmental Technology; Excellence in Capability & Response; Excellence in Incident Command Structure; Excellence in Environmental Projects and Products; and Regional Environmental Personality.

Recommendations at the end of the conference called on countries to review current laws and regulations related to the environment and to make requisite changes to ensure compatibility with international laws and regulations. It also called for national and regional plans to adapt to future climate changes and to preserve and protect the marine environment. Linked to this is the need for regional and national cooperation to mitigate negative impacts on the environment through increasing environmental awareness and strengthening partnerships between the Regional Organization for the Protection of Marine Environment (ROPME), the Regional Clean Sea Organization (RECSO), and UNESCO.

did a study some years ago which demonstrated in practical terms that GDP in the north could be doubled while at the same time halve energy use, just by using existing and foreseeable technologies.

Another big idea, which is beginning to be taken seriously, is reforestation. 20% of our impact on the climate is due to deforestation, and we have created all sorts of de-graded areas. If we decided to undertake a massive program of recreating de-graded lands, replanting forests, and preserving biodiversity, this could absorb a huge amount of the excess CO₂ which is now in the atmosphere.

The challenge to the existence of humanity is so intense and immediate, that we ought to be generating resources to deal with

it. If we look at it as an emergency, which is what people in the scientific community are saying, then we should be able to mobilize resources of all kinds to tackle the problems.

Is this a struggle between scientists and policy makers?

This is a central question. You have, on the one hand, the scientific side, which has a value system which looks to be totally objective, and which will not say anything until it is 100% sure. On the other hand, the politicians need answers right away and cannot wait for the results to be 100% clear. So there is a tension, inevitably, between the value systems of politics and economics and the value systems of science. What is absolutely critical for our future, is that the political

and economic side understands properly the nature of the factual, real risks that we face; if they do not understand, they will not take the decision that are needed to solve the problems.

The Club of Rome has been on the interface between science and analysis on the one side, and economics and policy on the other. We have come to a point in human history where we actually have to think very deeply what we do next. If we can be helpful in bringing international ideas and experts from outside and discussing with leading persons in this region to get people more focused on these questions, that would help to build bridges and understanding and cooperation. There is a lot of hope if we can get together.

Meeting the Energy Needs of a Growing World Economy

International Petroleum Technology Conference

Tan Sri Dato' Seri Mohd Hassan Marican, President & CEO of PETRONAS and Executive Co-Chairman of IPTC 2008 welcomed guests and participants to the third International Petroleum Technology Conference (IPTC), which took place in December 2008, in Kuala Lumpur. As part of his welcoming address, he highlighted the progress that IPTC has made, "Together with our co-organizer, ExxonMobil, we sincerely hope that the IPTC's first foray beyond the Middle East and its debut in the Asia Pacific region will provide new and fresh perspectives on the development of the oil and gas industry in a different environment, which presents its own set of opportunities and challenges specific to the region". He also commented on the main concern of the time, the price of oil, "I am certain that there will be a lot of interest and debate on where the oil price is heading during this conference as the price of oil impacts everyone's life in one way or another...our industry will be challenged to continue to play the role of a reliable energy supplier at affordable prices while at the same time ensuring that the environment is protected."

Marican also reinforced the idea that the world is not actually running out of hydrocarbon resources, even given the current situation of maturing fields and the difficult geology of new areas. In fact, the questions now are how much can actually be recovered, at what cost, and at what rate. Key to the industry is technology, which interestingly enough is not readily acknowledged and tends to be taken for granted. However, sophisticated



KOC booth at IPTC

technology will be critical for future success in the industry in terms of increasing efficiency and reducing waste in operations. As such, long-term investment in R&D programs and the accompanying commitment of human resources is essential, as "technology is only as good as the people who design and operate it". In the end, the quality of a company's employees will be the main source of competitive advantage in the future.

Lastly, Marican highlight the important role that the energy sector needs to play in proactively supporting policymakers and educating stakeholders. It is through education that effective regulations which balance society's and business's concerns can be made, and media attempts to promote populist arguments such as resource nationalism can be prevented.

The Prime Minister of Malaysia, Yang Amat Berhormat Dato' Seri Abdullah Ahmad Badawi, delivered

the keynote address and officiated the opening of the conference. He commented on the world financial crisis, stating, "It is becoming increasingly clear that the world will be grappling with the repercussions of the current crisis for years to come. This will pose a daunting challenge for industries and businesses the world over (and) this is particularly true for the oil and gas industry". PM Badawi also noted that in the current economic situation, companies are less inclined to invest in new energy supplies, which may lead to future oil price volatility. In order to minimize the impact of today's climate on the future security of the oil and gas industry, certain key challenges need to be addressed. These include:

- increasing cooperation so that energy security becomes a global, rather than a national, effort. One way is by decreasing the marginalization between IOCs and NOCs and focusing on

mutually beneficial partnerships;

- investing in technology with a long-term, rather than a short-term focus. In particular, investing in technologies applicable to unconventional resources and alternate forms of energy while concentrating on demand management and energy efficiency will be important; and
- developing human capital. The exodus of experienced employees in the 1990s and the subsequent shortage should serve as a warning, and companies should be looking long-term. This will entail more collaboration with academic institutions in terms of curriculum planning and education sponsorship.

The three-day conference and exhibition was hosted by PETRONAS and sponsored by the American Association of Petroleum Geologists (AAPG), the European Association of Geoscientists & Engineers (EAGE), the Society of Exploration Geophysicists (SEG), and the Society of Petroleum Engineers (SPE). It included over 50 sessions and 300 technical presentations in various disciplines from petroleum engineering to geology to geophysics. The Keynote Address, was given by

Mark W. Albers, Senior VP of Exxon Mobil Corp. and entitled "Partnerships for Progress - Working Together to Meet the Energy Needs of a Growing World Economy".

The Kuwait Oil Company (KOC) was directly involved as a Bronze Sponsor of Education Week and Directional Signage. In addition, employees of KOC participated in the conference, most notably Hosnia Hashim, DMD (North Kuwait), who co-chaired the session on Sustaining Production Rates to Meet Future Demand. Other panel sessions included Climate Change & Environment, Complex Relationships, and E&P Technologies. The Plenary Session, entitled 'High Price! High Cost! High Stakes' focused on the challenges of increasing energy demand and the corresponding capital outlay of over \$350 billion/year to deploy innovative technologies to develop resources, improve efficiency, and attract and train the workforce.

The IPTC award for "Excellence in Project Integration" was also handed out, with first prize going to Exxon Neftgas Ltd.'s Sakhalin-1 Project, which involves multiple offshore fields in Russia. "We are extremely proud of the Sakhalin-1 project achievements," said Mark Albers, Senior Vice President, Exxon

Mobil Corporation. "The Sakhalin-1 project is one of the largest energy investments in Russia and is a testament to international cooperation to successfully execute this project in one of the most challenging arctic environments in the world in a safe and environmentally responsible manner." Both PETRONAS' Kikeh Development Project, which is Malaysia's first deepwater field, and RasGas Company Limited's Train 5 LNG project which integrated many elements of the value chain while being completed ahead of schedule and under budget, were also recognized.

The importance of the future workforce was also emphasized with a Young Professionals Workshop and Education Week and Education Days. The Workshop brought young managers and technical experts under the age of 35 together to discuss industry concerns and future challenges. The education component involved top high school and university students, giving them a perspective on the petroleum industry through meetings with industry leaders, project work, brainstorming sessions, and presentations. 100 of the best undergraduate students from 54 institutions in 29 countries participated in Education Week, while 22 Malaysian high schools, including 110 students and 44 teachers, participated in Education Days and presented school science projects.

Concern for the environment was also evident with the presence of the Environment Pavilion, which aimed at educating the public while at the same time demonstrating that the petroleum industry is indeed proactively reducing its carbon footprint while rising to the challenge of meeting world energy demand. The success of the IPTC in Malaysia is reassuring to stakeholders in the petroleum industry in the current climate of uncertainty, and being able to overcome today's challenges will ensure a reliable future.



KOC representatives at the conference

“Dawn of a New Era”

PMI – AGC Hold Largest Conference Outside USA

Submitted by Fabad Ibrahim

Themed “Dawn of a New Era: Paradigm Shift in Project Management”, the Project Management Institute – Arabian Gulf Chapter organized its 12th International Conference, Seminars, and Exhibition in Manama, Bahrain. The two-day event, which took place in January 2009, was under the patronage of H.H. the Prime Minister of Bahrain Sheikh Khalifa bin Salman Al Khalifa. Inaugurated by the Bahraini Minister of Commerce and Industry, Hassan Fakhro, the event attracted over 1300 participants from government and the private sector in the Arabian Gulf as well as major executives and academics from around the world.

Focus of the Conference

The conference aimed at supporting mega projects in the Arabian Gulf countries, which are already facing major challenges related to shortage of labor force, increasing risks, and shrinking budgets. It also focused



Hassan Fakhro Inaugurating the conference

on current and future projects, and provided a rich environment for networking, exchange of ideas and expertise, as well as recommendations as to how to overcome the current international

economic crisis and its effects on the region. The conference also included 32 technical sessions presented by 41 distinguished speakers representing various government and public institutes from around the world that focused on four axes: defining projects, planning and executing projects, managing resources, and service-related industries.

A number of activities took place on the side of the conference, among which was an exhibition held with the participation of 50 companies from around the world, in addition to workshops and seminars with the participation of professionals in the project management sector. The Kuwait Oil Company participated in the exhibition as a Diamond Sponsor, and the Public Relations and Information staff supervised the display and provided visitors with information including CDs, KOC publications, and films regarding the



the KOC booth had a sleek, minimalist design

latest KOC projects.

An Interview with Gregory Balestrero

President and CEO of PMI in the United States, Gregory Balestrero, described the institute as “an organization dedicated to helping other organizations get better business results through project management”. He added that the institute supports organizations and individuals with training and education and gives them the best practices and standards to use in project management. Balestrero considers PMI as “very important to the oil sector”, noting that such importance is “evident in all the existing engineering, electronics, manufacturing and construction firms that support the oil industry here”. PMI is considered “the benchmark for helping their professionals improve project management” he added.



Gregory Balestrero
President and CEO of PMI
in the United States

Balestrero also described the KOC presence at the conference as important, considering the KOC participation as “a great support for the entire oil industry throughout the region due to the company’s great contribution to the oil and gas industry in the Gulf”. He also praised the level of attention that was being placed on project management by oil sector officials in Kuwait.

An Interview with Hashim Al-Rifaa

Chairman of the Conference Organization Committee, and Chairman and Managing Director



KOC PR and Information staff at the booth

of the Oil Development Company (ODC), Hashim Al-Rifaa, said “Project management is a very important discipline at both the organization and at the project level”, noting that project management “gives the discipline on how to conduct business with clarity, while allowing maximum flexibility and minimum risks”. He described the timing of this conference as “critical”, noting that the Gulf Region has two trillion dollars worth of projects either planned or in execution, and with the presence of the international economic crisis, project managers will have to figure out how to manage projects in a completely different way to minimize waste, maximize productivity, and ensure economic returns and objective results. “Project management is the discipline that gives professionals the tools and the capability to continuously execute projects and navigate through different economic conditions”, Al-Rifaa added.

He also described the conference as “the largest for the institute. We’ve broken every record ever made before in terms of number of corporate sponsors, overall sponsorship levels, number of attendees, tracks, and speakers, quality of speakers, revenues generated, and minimum expenses”, noting that “the praises the institute received from the Bahraini

government and major officials in various organizations and oil companies indicated that all agreed that this was the best-ever run and the largest conference outside the North American congress”.



Hashim Al-Rifaa
Chairman and Managing Director of the Oil
Development Company (ODC)

On the benefits of attending such conferences, Al-Rifaa said the conference is very important for networking for both individuals and corporations; in addition to learning new techniques and new ways of contracting, new risk assessment methodologies, and standards around the world were discussed through taking a closer look at the most complicated and largest projects in the region.

Al-Rifaa commented on the importance of project management to the oil industry, by stating that

“Project management is at the heart of the oil sector and any other sector. To translate your strategy you have to have plans, and those plans translate into projects; for any strategy or goal to be achieved you have to do them through programs and projects. Without projects, you will not be able to realize any of your strategies. So, project management is at the heart of any organization and any strategy”.

Al-Rifaa'i praised KOC's diamond sponsorship of the conference, its participation in the exhibition, and praised the attendance of the Chairman and Managing Director of Kuwait National Petroleum Company, Farouk Al-Zanki. He also expressed wishes for higher representation and attendance from the Kuwaiti oil sector in the future.

An Interview with Kamel Al-Zaidan

Deputy Managing Director for Technical Services in the Oil Sector Services Company, Kamel Al-Zaidan, praised KOC's participation in the exhibition, saying “The Kuwait Oil Company has always taken the lead in international exhibitions with proactive participation that reflects a beautiful image for the Kuwaiti oil sector in general, and for KOC and its activities in particular”.



Kamel Al-Zaidan
Deputy Managing Director for Technical Services in the Oil Sector Services Company

Al-Zaidan also elaborated on the importance of project management, “PMI in general is concerned with supporting engineering projects,

but for the oil sector, attending such conferences is a great opportunity to exchange expertise, ideas, and thoughts with other organizations, which transforms into advantages for planned projects”.

K-Company Participation

The Kuwait Oil Tankers Company (KOTC) and the Kuwait National Petroleum Company (KNPC) were present at the conference, and Senior Engineer-LPG Projects at KOTC, Ahmad Al-Badah, presented a paper entitled “Identifying Project Risk Elements and Assessing their Effects on Projects”. In the presentation, he discussed the means of identifying possible deviations before executing a project and evaluating the available resources and the preparations made for the project. He explained that



Ahmad Al-Badah
Senior Engineer-LPG Projects at KOTC

project evaluation is based upon 14 elements, which assist one in rating the deviations that may affect the project execution time, total cost, and anticipated performance. “The entire process helps project managers update the execution plan of the project”, he added.

The other participant, Team Leader - Quality Assurance & Quality Control in the Projects Department of KNPC, Abdulal Bou Abbas, presented “Lessons Learned from Completed Projects – KNPC Approach”, which focused on procedures followed during, or after, the execution of a project in order to list all issues and incidents that could be avoided in future projects. The paper also



Abdulal Bou Abbas
Team Leader - Quality Assurance & Quality Control in the Projects Department of KNPC

discussed designing computer software to prepare final reports. Bou Abbas considered the procedures as one of the “fundamentals of project management and an essential part of any project's final report”, noting that these procedures have standards, rules, and mechanisms of application. He added that the Kuwaiti oil sector is executing mega projects and is required to learn the latest techniques and tools implemented in project management, and such conferences, therefore, are important for the oil sector to exchange ideas and expertise and achieve maximum mutual benefit.

The Project Management Institute-Arabian Gulf Chapter was established in 1992 and is considered as a main source of support for professionals concerned with project management to acquire high value education and training in a variety of specialties, such as oil and gas, engineering, purchasing, construction, information technology, financing, and energy. The non-profit organization, considered the largest technical and professional organization in the world, has over 265,000 members in more than 171 countries.

The PMI AGC Kuwait Branch consists of VP Kuwait Mr. Hashim Al-Rifaa'i, Director PR & Sponsorship Engr. Mohd. Al-Ajmi (KOC), Director Admin & Finance Mr. Wael Al-Jassem (KNPC), Director Technical Presentations Mr. Mohd. Khalifa and Director Training, Certification and Membership Mr. Ahmed Samir.

Stepping up Bilateral Cooperation

Chinese Delegation Visits the Kuwait Oil Company

Visits by delegations from various countries to the Kuwait Oil Company (KOC) are nothing new, however the visit in late December, 2008, by a Chinese delegation, led by the Vice Premier, Li Kegiang, was indeed something unique. The size of the delegation (over 50 representatives from various Chinese government bodies and private industry) was unusual, as was the fact that it was the first time that the Chinese were at KOC. The Chinese delegation visited KOC as part of a State four-day official visit, which was initiated by an invitation from the Kuwaiti First Deputy Prime Minister and Minister of Defense, Shiekh Jaber Mubarak Al-Hamad Al-Sabah.

The group was welcomed to KOC by Ahmadi Governor, Sheikh Dr. Ibrahim Dua'ij Al-Sabah; KPC CEO, Saad Al-Shuwaib; KOC C&MD, Sami Al-Rushaid; and leaders of the Kuwait Oil Sector. Al-Shuwaib commended the work being done to strengthen ties between the two countries, particularly in the oil sector, stating, "We are keen to improve our business ties and would like to see more Chinese companies participating in our tenders and projects". As such, presentations were given on the history of KOC,



Chinese Vice Premier, Li Kegiang; Ahmadi Governor, Sheikh Dr. Ibrahim Dua'ij Al-Sabah and KPC CEO, Saad Al-Shuwaib

future expansion plans, and the pre-qualification process.

Kuwait and China started diplomatic relations in 1971, and this visit is a sign of the increasing importance of energy between the two. According to official statistics, the two countries had a bilateral trade volume in 2007 of US\$ 3.6 billion (2.3 billion of which was exports to China, with 1.3 billion imports from China), which represents an increase of 30 percent from the previous year. Of the exports,

90 percent were oil and oil-related products, further emphasizing the importance of the K-Companies in trade with China.

"China highly values the friendship with Kuwait and will make concerted efforts with the Kuwaiti side to step up the bilateral cooperation to a higher level," Li said. In addition, Li emphasized the interest that China has in future oil-related projects within the State of Kuwait. It is hoped, therefore, that there will be many mutually beneficial opportunities in the future.



Chinese Vice Premier, Li Kegiang presents gift to Ahmadi Governor, Sheikh Dr. Ibrahim Dua'ij Al-Sabah



Chinese Vice Premier, Li Kegiang presents gift to C&MD, Sami Al-Rushaid

Effective Emergency Management

The Kuwait Oil Company Improves its Emergency Response Operations

“Remember, if disaster strikes, overreaction is the best response!” With these final words of recommendation, Emergency Response Coordinator, Ali Asad concluded his presentation at the December, 2008, Emergency Response Management for the Hydrocarbon Industry International Summit where he was voted the Top Speaker by the attendees. The presentation highlighted recent changes to the Company’s emergency response operations, including the implementation of the Fire Incident Management System, the Incident Management Unit, and 160-the new emergency number.

History of KOC and Emergency Management

Asad started his presentation with a description of the Kuwait Oil Company (KOC), including its



Ali Asad
Emergency Response Coordinator

history and current operations, which can be divided into three areas: North Kuwait, West Kuwait, and South & East Kuwait. Common to all areas was an out-dated system of documenting and logging emergency incidents which included recording on paper. This method was not only time-consuming, but it was also difficult to retrieve information and to compile a history

of specific types of incidents. The Company did improve the system by using databases and spreadsheets, but the results were still not up to expectations.

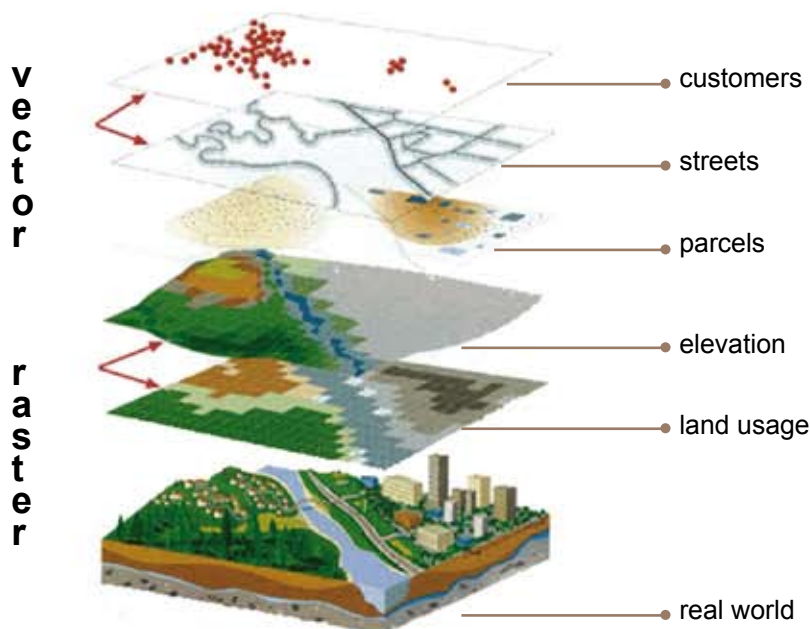
Fire Incident Management System

Consequently, the idea of a comprehensive incident management system was developed in-house and implemented. According to the name, Fire Incident Management System (FIMS), it was originally designed for the Fire Team, but was later expanded to include security and ambulance.

Unique to the Gulf Region, FIMS incorporates all the systems involved in the archiving, managing, and reporting of incidents, while allowing access to the Geographic Information System (GIS) and the Material Management Maintenance System (MMMS). The features in the GIS are stored as points, lines, polygons, and cells, as well as information about each feature such as road surface material, parcel number, owner names, etc. The digital features and database are tied together so that the user can perform analysis on the map features and perform spatial analysis.

The GIS technology as a whole consists of trained staff, software, hardware, large format plotters, GPS (Global Positioning Systems), digital data, relational databases, orthophotography (corrected aerial photography), and much more. With respect to emergency management, spatial information integration and dissemination are very useful, particularly the ability to show underground pipelines and

GIS Concept





KOC emergency management training event, February 2009

electrical cables, distance from wells, manifolds, etc., and conversion of units to one standard.

Incident Management Unit

The Incident Management Unit (IMU) is new to KOC and is the pet project of Asad. Built for various terrain, it can act as a remote unit and is able to travel anywhere within the State. The vehicle has a water-cooled diesel engine, and with a full load can accelerate up to 100 km/hour and operate non-stop for 12 hours. It can seat 10 persons easily and they can stay in continuous communication with the Crisis Management Center in Ahmadi. Equipped with latest state-of-the-art communication technology and video conferencing system, it can provide real-time operation data and video streaming. Also, a powerful external camera allows it to transmit live video feeds to the Crisis Management Center. This camera can also be used by the IMU to zoom into details that are hazardous to approach.

The control room within the vehicle is equipped with mobile and satellite operated phones, as well as PCs, laptops, printers, and

Emergency Management is defined as “the discipline and profession of applying:

- Science
- Technology
- Planning and
- Management

to deal with extreme events that can injure or kill large numbers of people, do extensive damage to property, and disrupt community life”.

faxes. In addition, communication and information is also enhanced through a live weather station, a smart board, an LCD television, and a surround-sound video/DVD player. All activities can be recorded on a hard drive capable of 38 hours of non-stop recording.

New Emergency Number

At the end of 2008, all previously relevant emergency numbers were merged into a 3 digit, easy to remember, number – 160. Although the old numbers were not cancelled and can still be used, they have

all been automatically diverted to the new number. A campaign was undertaken in October to make the KOC and Ahmadi communities aware of the new number.

Conclusion

Asad cannot stress enough that any response to an emergency needs to be well managed and flexible enough to reflect the circumstances at the time. In all cases, the following guiding principles apply:

- Preparedness
- Continuity
- Subsidiarity
- Direction
- Integration
- Communication
- Cooperation
- Anticipation

With the combination of state-of-the-art technology, a trained workforce, public knowledge, and the ease of one number, KOC is in a good position to be able to quickly and effectively deal with any emergency situation.



The Impact of Oil Price Decline

Part of the Knowledge Management Technical Calendar under the supervision of the Management Services Team involves consultants on a call-off basis giving presentations on various topics. One such presentation, "Update on recent oil price developments: The impact of oil price decline and the credit crunch" was given by Booz & Company, and highlighted trends in the price of oil and future implications and advantages.



Fahad Al-Sabah
Team Leader - Management Services

According to the Team Leader - Management Services, Fahad Al-Sabah, this type of presentation enables the Group to expand its understanding of how oil prices are impacted by current economic conditions, and to share this information within the Company.

In fact, the various presentations held throughout the year will be compiled and presented to experts from all KOC Groups at the annual Management Support Group Forum which takes place during the fourth quarter of the fiscal year.

According to Eduard Gracia of Booz & Company, during the autumn of 2008 the crude oil price experienced a dramatic fall from its all-time high in July of over US\$147/bbl (WTI) to less than a third of that peak. In this, oil followed the general trend observed in the commodity market, where the Reuters/Jefferies CRB Index dropped 50 percent between July and November, 2008.

Furthermore, it is beyond any reasonable doubt that the key reason for this spectacular price decline was to be found in the growing expectations of an impending global recession, and thus of a potentially severe decline in demand. In this sense, some of the indicators of industrial production decline were nothing short of spectacular: for example, shipping prices (as reflected on the Baltic Dry Bulk Index), which are always a reliable indicator of international trade, fell by an astonishing 93 percent between July and November, 2008.

It feels indeed as if it was very long ago when, early in 2008, some analysts seriously considered the possibility of a price "super-spike" potentially reaching US\$200/bbl.

Yet, just as last summer's record prices did not necessarily mean that the market value of oil supply would always continue to climb up at breakneck speed, it also does not follow from the subsequent dive that prices will keep falling down forever. Indeed, economic recessions, no matter how severe, always have a limited duration in time (sometimes very limited: for example, no U.S. recession on record since the mid-1930s has lasted longer than 2 years) and, when global demand eventually recovers and economic growth resumes, crude oil prices should be expected to follow suit, perhaps aggressively so.

This is particularly important from an upstream perspective because, due to the long lead times of exploration and production investments, it is usually the oil price several years ahead, and not the spot price at the time the investment decision is made, that matters to determine its true profitability.

In any event, price falls in autumn

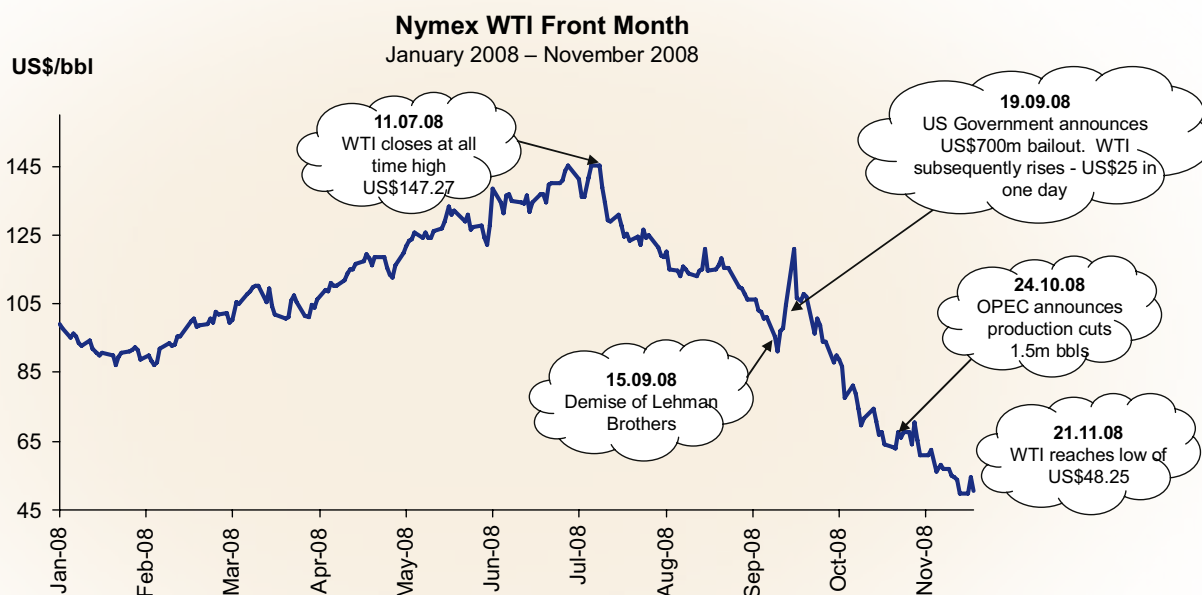


had a major impact on the prospects of all the oil market's major players, because they forced many analysts to revise downwards their previous, often hyper-optimistic forecasts. As a result, for example, the market values of Integrated Oil Companies (IOCs) dropped rapidly from July to October (by an average of 26

percent across the six global supermajors) and, not surprisingly, those which had been investing most aggressively on the basis of high future oil price assumptions (often at \$60/bbl or higher) were also those whose stocks seemed to be most heavily punished. In the case of some upstream independents, the

oil price decline has combined with their sometimes fairly debt ratios to drive even sharper falls in their market valuations. At the same time, of course, many of the upstream investments that were made under high oil price assumptions were reconsidered and, in a number of cases, discontinued – which, in turn,

The oil price has witnessed dramatic fluctuations recently...

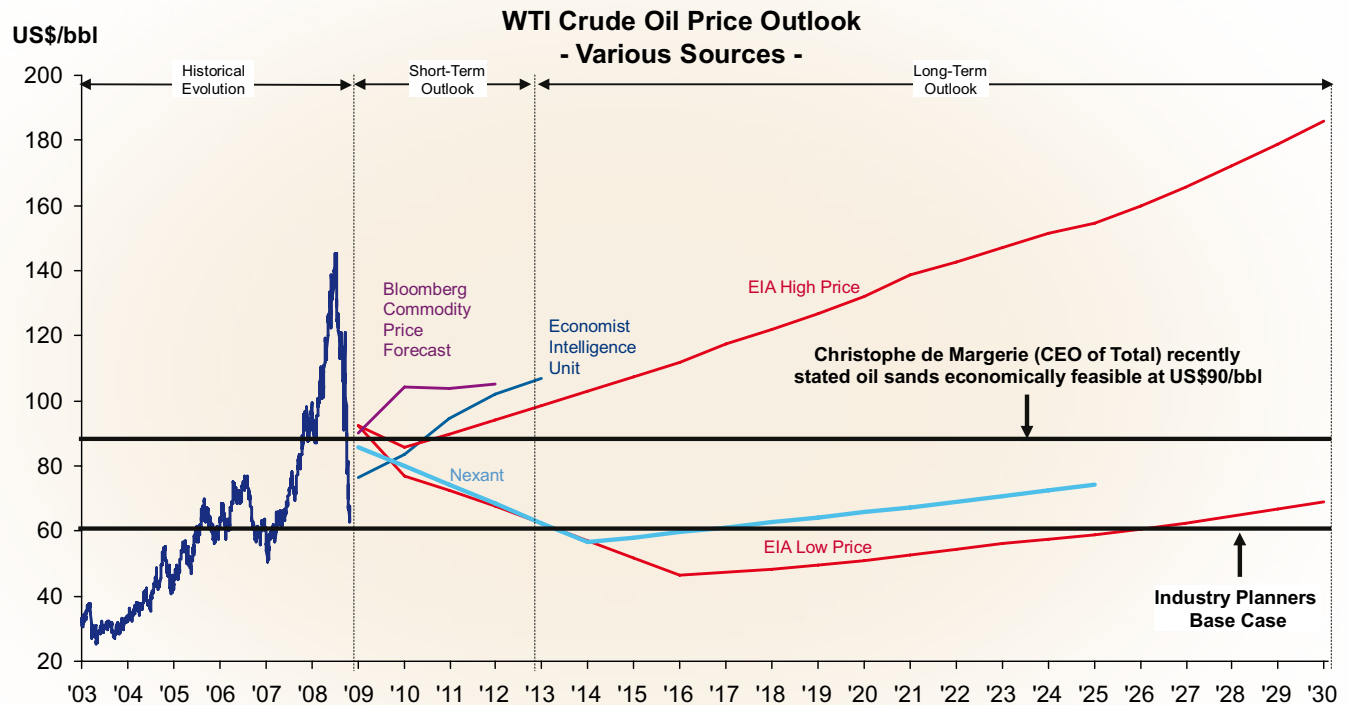


Note: Daily end of trading day price quoted
Source: Bloomberg

Booz & Company

Archive number
Oil Price Impact Update for KOC.ppt

As for long term prices there is a wide divergence of opinion regarding the range



Source: Bloomberg Nov. 2008; Nexant High Oil Price Scenario Nov. 2008; EIA Oil Price Forecasts June 2008, EIU Commodity Forecasts Nov. 2008; Booz & Company research

Booz & Company
4 Nov 2008

Oil Price Impact Update for KOC.ppt

resulted in a very substantial fall in the valuations of oil field service providers as the expected demand for their services was drastically reduced.

All this, however, poses a number of opportunities as well as challenges, especially for National

Oil Companies (NOCs). Indeed, Middle East NOCs in particular continue to have many available opportunities for exploration and production at a fraction of the cost per barrel in other places. The cost for NOCs both to exploit their still-profitable exploration opportunities

and to build up their own internal capabilities has therefore become significantly lower as:

- other companies discontinue their upstream investments and release experienced petroleum engineers to the market,
- independent upstream companies find themselves under financial distress,
- oil field service providers face excess capacity, and
- the cost of the raw materials required for many upstream investments (steel, aluminum, etc.) goes down together with most other commodities

Hence, precisely now that the market has left far behind its unsustainably high prices of last summer, it is probably time for NOCs to take advantage of the opportunities this brave new landscape puts forward in order to strengthen themselves for the long run.



Eduard Gracia giving a presentation to the Management Support Group

Management Away Day

Getting to Know One Another Better

Far in the south of the country, approaching the border with Saudi Arabia, lies the Kuwait Oil Company's (KOC) Spring Camp. Situated along a stretch of beach, the camp includes everything that employees and their families need for a day of fun. Complete with children's play areas, restaurants, sports fields, and private tents, the area is perfect for a family get together, an outing with friends, or in this case, a get-together for KOC top management. In fact, the facility is used by all areas of KOC, and almost all Groups have at least one Away Day planned each year.

Despite the blustery weather and accompanying occasional rain, the participants of the day enjoyed themselves with various activities designed for relaxation and getting to know one another. According to the C&MD, Sami Al-Rushaid, "This is the day that the entire management of KOC gets together in a friendly atmosphere. This group of CAEs works hard and each individual has great responsibilities. As such, I think that they deserve an Away Day at least once a year. In addition, it is important to socialize to make work go smoothly and more can be accomplished when the CAEs know each other better; many of the people here are only able to meet each other under this type of circumstance. Moreover, we see an opportunity to talk about accomplishments and raise morale.



C&MD, Sami Al-Rushaid, addresses the group

We also talk about our future plans, which brings everybody into the picture as to where we are heading. Finally, there are certain messages that we like to send across in a friendly atmosphere."

Honored guests for the day included former DMD (S&EK), Sanad Al-Sanad, and former DMD (A&F), Ali Al-Shammari. In addition to introducing new managers, Dr. Salem Hamadeh gave a presentation

regarding relaxation methods, how to control anger and reduce stress at work, and each DMD spoke briefly about the accomplishments and future challenges in their particular area. One common theme amongst the speeches was the need to train, retain, and provide valuable service to employees. KOC has a long and proud history and its experience and corporate culture sets it apart from other companies within the State. However, KOC cannot afford to rest on its laurels, but rather needs to focus on not only recruiting and training local talent, but also recognizing and developing the potential of current employees and providing incentives to them. DMD (S&EK), Hashem Hashem, summarized his message succinctly as: have faith in yourselves, have clear objectives and a detailed plan, learn from the lessons of the past, and recognize and value employees. Finally, the importance of communication was stressed, not only to improve the flow of work, but also to increase innovation and creativity in a one team, one family atmosphere.





1st KOC
e-BOOK FAIR
2009

KOC's First
E-Book Fair,
which ran
between March 29th
and April 2nd at the

Unity Center in Ahmadi, provided something for everyone, offering a diverse range of books and e-books, as well as children's activities and workshops on a wide variety of subjects.

The fair was organized and managed by the company's Corporate Information Technology (CIT) Group in collaboration with Ahmadi Services Group's Community Services Team and Public Relations & Information Group, and staff were invited to both contribute their own second-hand books (those in a decent condition at least), browse the books on offer and otherwise actively participate in the fair's activities.

The event, which took place under the theme 'Read a book a month,' was opened by guest of honor Dr. Saleh Al-Aujairi, a prominent Kuwaiti celebrity, who had the audience at the opening ceremony in fits of laughter with a string of humorous anecdotes during his opening speech after cutting the ceremonial ribbon to officially launch the event. The opening day was also attended by senior KOC management figures, including C&MD Sami Al-Rushaid and DMD (Exp. & PD.) Khalid Al-Sumaiti.

The objectives of the fair as defined by the Corporate Information Technology Group which devised and organized the event were: encouraging reading for both adults and children; raising awareness of the importance of reading and acquiring knowledge; educating KOC staff and their families about various issues

KOC's first E-Book Fair proves a literary hit



Audience members, including senior KOC management figures, at the opening ceremony

concerning e-books, like sources and technology, increasing understanding of technology education and dispelling misplaced concerns or myths concerning computer use for older users who may not have used a PC before; emphasizing the importance of petroleum education for KOC staff and their families, as well as for a wider group comprising K-Companies' staff, residents of the Ahmadi area and local schoolchildren, and demonstrating the importance of KOC's library while simultaneously introducing its library services and unified library system.

"The main aim of this exhibition is to encourage people to read more – not only scientific and work-related publications, but also other reading matter," Hesham Al-Nouri, KOC's Corporate Information Technology (CIT) Manager and principal organizer of the event, told the Kuwaiti Digest. "Reading expands your knowledge; even when you read a work of fiction, you still gain something."

Along with the traditional forms of

reading matter, such as books and magazines, the fair, as the name suggested, also focused on a more recent literary format in the form of E-Books, as well as on online books which can be downloaded in electronic or printed form. The E-Book is a fairly recent innovation, with Sony's Reader device being one example of this. "You can store tens of books on [these devices]," said Al-Nouri. "It's lighter than a book and you never run out of reading matter. As long as you have one of these you can read all the time."

The organizers also worked with a number of online publishers to offer employees access to enormous volumes of online content, made available through internationally renowned names in various e-resources. "We've established free subscriptions to many sites during this week...and we hope that it will be beneficial to them and to the company," said Al-Nouri. "If they decide to subscribe later on then this book fair is the perfect opportunity for them to find out about these sites."



Guest of honor Saleh Al-Aujairi cuts the ceremonial ribbon, inaugurating the E-Book Fair

KOC and K-Companies' staff and their families were not the only target audience for the event, however, which also sought to appeal to a more broad cross-section of society. "We've invited many schools and everyone's excited about coming," said Al-Nouri, "and we have a lot of lectures lined up, both during the day and in the evenings, including speed-reading in Arabic, which was unavailable until recently. We have one lecture about the importance of reading in society, as well as others about electronic books and reading."

One of the prominent figures delivering a presentation on the first day of the event was Abdul Aziz Saud Al-Babtain, speaking on behalf of Kuwait's Al-Babtain Foundation, who presented an instructive and interesting address entitled 'The importance of reading and learnedness in our lives and their impact on success and building the future.' In the address, the eminent Kuwaiti literary figure spoke about the vital significance of reading for people generally and for Muslims in particular. With reading and learnedness in one's life, he said, "life and living is improved, while without them these communities become unhealthy as an ill body." Concluding his presentation, the illustrious dignitary urged Kuwait's students "to acquire learning, knowledge and Learnedness so as to

be effective in building their home country and to be one of the key players in its growth and development."

Among the other speakers was Seham Al-Ostath who gave a presentation on E-Books. "I think the idea of the book fair

is a very good one," she told the Kuwaiti Digest. "We really need it at the moment. You know, reading isn't exactly a common pastime at the moment, so we need to emphasize this. I hope we can accomplish the fair's objective"

DMD E&PD Khalid Al-Sumaiti was also extremely pleased about the event. "I fully support the idea of building this culture of education, of reading," he told the Kuwaiti Digest. "Let us enrich our knowledge so we can improve our level, leading to a performance of high quality." He was confident of the book fair's benefits to KOC and its employees, as well as to wider society and enthusiastic about the positive benefits for Kuwait's young people, saying that the event would help to enrich their knowledge



Admiring some of the books on offer



Some of the younger guests enjoying the event

of their country, its history and its culture and the oil industry's part in that. "We want them to understand about their country, about where the income, the wealth of the country come from; this event helps increase students' knowledge," he explained. Mr. Al-Sumaiti was also enthusiastic about the workshops which took place during the event, citing as examples talks on geology and geophysics, the future of KOC with reference to the 2030 Strategy and a Ministry of Education forum on how to improve education on the subject of the oil industry taking place during the fair. "We encourage everybody to attend. The speed of change nowadays is very high and we have to encourage whatever will help us to increase our levels of knowledge to cope with that."

AMEC: Providing Quality Project Management to KOC

“Sustainable development is the most challenging issue for our generation. AMEC is committed to being part of the global solution in what we do and how we do it.” Samir Brikho, Chief Executive and Sustainability Program Chairman

AMEC is a publicly traded (FTSE 100) company headquartered in London, with offices around the world. The company's vision is to be the leading supplier of high-value consultancy, engineering and project management services to the world's energy, power and process industries. AMEC's operations are divided into three areas: Natural Resources, Power & Process, and Earth & Environmental.

The Natural Resources division is involved primarily in oil & gas and mining projects with the Power and Process division concentrating on the power generation and nuclear sectors, and the Earth and Environmental division focusing on environmental consultancy services.

Currently employing over 23,000 people, AMEC works in more than 30 countries, in all areas of the world including Australia, Azerbaijan, Brazil, Canada, Chile, China, Kazakstan, Libya, Peru, Russia, the United States, UAE and Kuwait, in addition to the UK North Sea. With annual revenues of over £2.3 billion, and a margin target of 8 % in 2009 (AMEC reached a profit margin of approaching 7% in 2008), AMEC is considered one of the big players in its field.

History of AMEC

The company was formed in 1982 through the merger of the Fairclough Group, itself founded in 1883, with the William Press Group, founded in 1913. Fairclough was a construction company specializing



Project management, including large construction projects, is the heart of AMEC Kuwait

in the construction of roads and bridges, while William Press were better known for oil & gas pipelines. The company was later enlarged in 1988 with the acquisition of Matthew Hall that added major oil and gas engineering capability and experience to the group.

In the late 1990s the company re-aligned its business towards international project management and engineering services, moving away from its traditional construction base. In April, 2000, AMEC merged with AGRA (a Canada-based engineering, technology and service company), a move which strengthened its presence in North America. AMEC also purchased 41.6% of SPIE S.A. (a European based engineering, transportation

infrastructure, energy, telecom, and network services company) in 1997 and the remaining shares in 2003. AMEC subsequently sold SPIE S.A. in 2006.

Since 2006, AMEC has taken the final steps along the road to its new business structure and is now clearly focused on its well established core businesses - but continues to evolve and grow by both organic means and by strategic acquisition of complementary companies.

AMEC in Kuwait

AMEC is in Kuwait for the long-term having first established a major presence with the award of the Project Management Consultancy (PMC) contract by KOC in early 2004 (since renewed in January

2008). This solid foundation has supported AMEC's expansion in Kuwait to a total of over 400 staff in 3 offices working for a range of clients. With over 300 people working in KOC's Ahmadi office, the PMC contract is central to AMEC's Middle East strategy and is a pivotal contract within the Natural Resources regional portfolio. The importance of this PMC contract was emphasized by the C&MD, Sami Al-Rushaid, when he stated, "This contract is essential to support KOC's comprehensive ongoing program of major projects and is considered critical to the day-to-day business and future development of the Company's facilities."

The AMEC PMC is currently managing 15 projects for KOC with a total capital value of approximately \$6 billion. AMEC have managed both the facilities modernization projects (FMP's), in which significant modifications and additions have been undertaken, to most of the Gathering Centers and many of the Booster Stations in south and east Kuwait without disruption to ongoing oil/gas production. As the two FMP's near completion, the projects have been acknowledged as fulfilling their expectations and in contributing to KOC's S&EK asset production targets.

Also under AMEC PMC management and supervision, the greenfield GC-24 is under construction in north Kuwait, with work on schedule to improve on the contract turnover date, and the Booster Station BS-132 project is nearing the tender stage. Both of these are key strategic projects toward KOC's 2020 production objectives.

AMEC is particularly proud of its contribution to safety in which, by working alongside its contractor colleagues, has jointly achieved over 60 million manhours without a lost time incident with a PMC contribution of over 2 million



AMEC new project gets underway

manhours over the current 4 year life of the AMEC contract. Currently, AMEC is preparing its safe drive 2009 campaign for launch in March, designed to improve awareness of driving risk and improve driving behavior.



Alan Armstrong
AMEC's PMC Project Director

While the basic role may be to deliver projects from start to finish as effectively as possible, there are many other aspects to the PMC that may be less high profile but nevertheless have long term importance. These aspects include contributions to streamlining contracting principles and methods and, of huge importance, providing training and development to Kuwaiti employees – vital over the long-term in providing Kuwait with a national workforce of experience and skill and mirroring

AMEC's sustainability code.

AMEC's PMC project director, Alan Armstrong, has been in Kuwait for over 18 months now and sees his role as maximizing the effectiveness of the PMC in delivering projects throughout their life cycle. He believes that, although still a relative newcomer to the Middle East, he brings wider AMEC experience to the PMC from his previous positions as general manager of an AMEC led JV in UK/Netherlands and senior management positions in the UK and Australia. He also believes in a single team approach to KOC major projects business – the only way forward in an organization with such a major volume of work and relatively few people to perform it.

Beyond the purely business aspects and as a long term player in Kuwait, AMEC's sustainability philosophy means that it has a responsibility to support the local communities in which it works. In this particular case this includes major sponsorship of local sports clubs and associations – rugby, cricket and badminton are supported both financially by the company and personally by the staff – and support of local charities; something the PMC are proud to do.

Project ZENITH (Almasar)

Preparing KOC'S Exploration & Production Development Directorate for Future Growth

Submitted by: Eduard Gracia, Booz & Company

Growth is nearly as challenging a condition as decline for an organization. When the scale of a business expands, its complexity grows exponentially. At the same time, where a few veteran people following informal processes used to suffice, now many more players are required, veterans as well as newcomers, and thus one cannot rely anymore on the old hands' experience to resolve every issue that may arise. All this can result in highly inefficient processes, hurdles and grey areas which, if not addressed, have the potential to bring the operations of a growing organization to a halt. Yet they can be addressed, and successful organizations do so by consciously aligning their organizations to the new challenges, explicitly mapping their processes and defining clear roles and responsibilities.

The Kuwait Oil Company (KOC) is a very successful organization that has experienced fast growth in the past and plans to continue growing aggressively in the future. This expansion path poses a challenge for its Exploration & Production Development (E&PD) Directorate to realign its organization and processes so that it can cope. Aware of this challenge, Mr. Khalid Al-Sumaiti (DMD E&PD) sponsored in mid-2008 a study, led by Dr. Adel Al-Abbasi (Manager R&T) and supported by Booz & Company, to further increase effectiveness and identify



Khalid Al-Sumaiti,
DMD E&PD
Project ZENITH's sponsor



Dr. Adel Al-Abbasi
Manager R&T

the options for improvement. The recommendations from this study were then carefully considered and, as a first step towards the required change, in October 2008 the Leadership Team issued a directive announcing the new organization for the E&PD Directorate.

In the past, such announcements had been regarded as the end of the restructuring process. This was a bit like buying a new car but devoting no time to learning how to drive it. As every driver will recognize, learning doesn't just happen



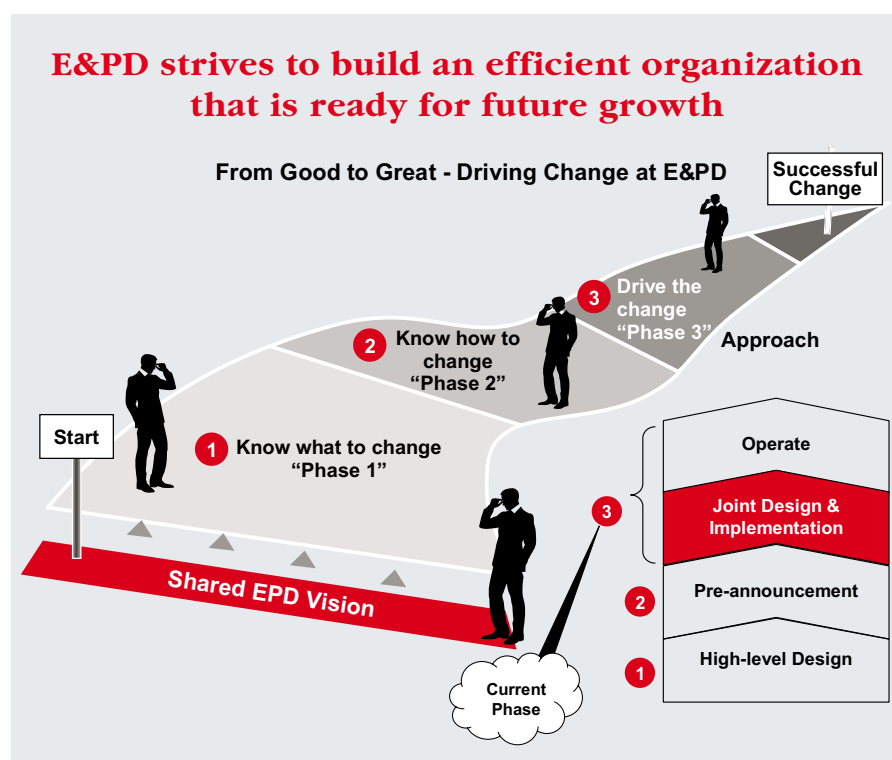
project ZENITH logo

instantly, nor does the mere fact of reading a user manual actually convey the knowledge: to learn how to drive, one needs to practice and, in a way, write his own manual. KOC E&PD therefore recognized that there was a need to allocate a time after the announcement to allow the organization to “learn how to drive”, design and implement the details of the processes, roles and responsibilities under the new organization.

This is Project ZENITH (Almasar). It started when a project team was commissioned to support the E&PD Directorate throughout a 6-month program of Joint Design & Implementation of the processes, and roles and responsibilities required for the new organization to work efficiently and cope with its enlarged scale. Working collaboratively with each one of the Groups and Teams within KOC's E&PD Directorate, the project is helping them define the nature of the services they provide as well as the detailed process maps, roles and responsibilities that will underpin their execution of those services. Thus, by the end of this exercise each Group Manager and Team Leader within E&PD will have a manual describing his/her job under the new organization, covering scope, processes, roles and responsibilities.

Indeed, the key word for this ongoing effort is collaboration; project team members are working jointly with E&PD people to identify the current improvement opportunities and thus design the future processes that best fit their needs. Thus, although external experience and best practices are leveraged to improve the process, the objective is to reach consensus around a particular set of practices that the people within the organization are happy to support and live by.

Although the focus of this effort is naturally the E&PD Directorate, processes need to



be analyzed and improved from an end-to-end perspective, and this means recognizing that most processes inevitably cross Directorate and sometimes even Company boundaries. Project ZENITH therefore involves in its conversations and workshops not just the representatives of the various Groups and Teams within E&PD but also the key players and stakeholders in other Directorates in order to reach a common understanding of where the improvement opportunities are and what new processes need to look like. Hence, if or when any other Directorate may decide to go through a similar process definition-and-optimization exercise, it will be able to take the work that Project ZENITH has done as a starting point, since those of its processes where it interacts with E&PD will already have been analyzed, mapped and documented. In addition, the project team has also been preparing a “restructuring best practices” manual on the basis of the experience and learning points

from this exercise in order to help any future such efforts to build on the achievements that have already been made in this project.

This is the very first time that such an approach has been followed at KOC, and it is already proving very successful. People are very engaged, as they fully understand the importance of what is being done now for their own Group and Team. Progress is steady, and the benefits of the new organization are already visible in a number of key areas. This is by no means the end of the road, to be sure; continuous improvement is a road that, by definition, does not have an end. Yet, by building a common framework and a set of tools geared toward the identification of new improvement opportunities, Project ZENITH is not only aiming to introduce a very substantial set of improvements in the current processes, but also set the basis for continuous improvement to proceed long after the project comes to an end.

ISO9001:2008

Quality Management System at the Kuwait Oil Company

"If you cannot measure it, you cannot manage it", Peter Drucker.

Introduction to ISO and ISO9001

ISO refers to the International Organization for Standardization, which was established in 1946 and is based in Geneva, Switzerland. The organization has 92 member countries, including Kuwait, and over 180 technical committees. ISO9001 focuses on quality management and is the result of years of research and practical implementation in terms of quality measurement and management, starting in the 1920s with manufacturing methods, followed by methods implemented by NASA and the US Military, the Deming Cycle, the first international conference on quality which took place in Tokyo, Japan in 1969 and the Ontario Quality Assurance, also in 1969.

The first ISO9001 standard was published in 1987, followed by later versions in 1994 and 2000. The current version was established in 2008 and will remain valid for the next five years.

ISO9001:2008

A Quality Management System (QMS) can be defined as a set of policies, processes, and procedures, required for the planning and execution in the core business area of an organization. It integrates the various internal processes within the organization and intends to provide a process approach for project execution. It also enables organizations to identify, measure, control and improve the various core business processes that will ultimately lead to improved business

The International Organization for Standards, widely known as ISO, is an international-standard-setting body composed of representatives from various national standards organizations. Its ability to set standards that often become law, either through treaties or national standards, makes it more powerful than most non-governmental organizations. In practice, ISO acts as a consortium with strong links to government.

performance. ISO is a standard that provides a framework for establishing a QMS. Quality itself can be defined as the consistent production of products and/or services which meet the stated and implied expectations and requirements of the customer.

The purpose behind implementing QMS is to enhance customer satisfaction through the creation of a workforce that is focused on quality, communicates effectively, constantly assesses and maintains efficient processes, and minimizes wasted time, material, and effort.

The number 9001 is an arbitrary number with no meaning, called the requirement, while the number 2008 is the year of the issuing of the version of the standard. 9001 has three previous versions and as standards are reviewed every 5 years, it will be re-issued again in 2013.

ISO9001 has been implemented around the world by over 100,000 companies, with the advantage being that global standards will allow for better communication and ease of use.

Quality Pyramid



Requirements and Principles

All requirements of this international standard are generic and are intended to be applicable to all organizations:

1. Scope
2. Normative reference
3. Definitions
4. Quality management systems
5. Management responsibility
6. Resource management
7. Product realization
8. Measurement, analysis and improvement

If any of the requirements cannot



Jassem Al-Shatti
Manager-Management Support

Some of the Benefits of ISO

- Increased customer satisfaction and retention
- High quality output
- Increased motivation, awareness and morale of staff
- Creation of a 'quality mindset' workforce
- Improved internal communication and control
- Increased profit
- Increased productivity
- Decreased waste production
- More efficient and effective operation
- A statement that the company is committed to quality
- Improved documentation
- Customer satisfaction improvement activities
- Consistency of quality practices
- Reduced cost of product liability protection
- Increased marketing effectiveness through increased brand recognition and quality products
- Increased international trade
- Continual improvement process

be applied due to the nature of an organization and/or its product or service, it can be considered for exclusion so long as it does not affect the organization's ability to provide a product/service that meets both the customer and regulatory requirements. In order to meet the requirement, a company must

document, implement, maintain & check, and continually improve effectiveness. This is illustrated in the Deming Cycle.

The QMS is based on eight principles relating to quality including:

1. Customer focus
2. Leadership
3. Involvement of people
4. Process approach
5. System approach to management
6. Continual improvement
7. Factual approach to decision making
8. Mutually beneficial supplier relation.

Why Implement ISO9001:2008 at KOC?

Integral to any company's goals should be the maximization of the quality of the product/service provided, and the associated benefits that come with it. The Kuwait Oil Company (KOC) has quality management as a priority and as a result, introduced ISO at the end

Quality

Level 1	COMPANY POLICY: A documented policy or mission statement approved by Senior Management.
Level 2	QUALITY MANUAL: The Quality Manual establishes requirements and guidelines for the overall quality Management objectives as per Quality Policy. These requirements and guidelines are applicable to the operations of all Directorates.
Level 3	QUALITY PROCESSES: The Quality Processes are a collection of standard operating procedures (SOP's) and Best Practices, which are established in conformance with, are support of the quality policies manual's requirements and guidelines. The quality process details the implementation of requirements and guidelines for the operation.
Level 4	WORK PROCEDURES & INSTRUCTIONS: Work Procedures & instructions are documented as necessary to support each applicable quality process. They detail specific quality or specific instructions for performance of individual tasks.
Level 5	RECORDS: Completed Forms provide the objective evidence of compliance.

of December 2008. Some Groups within the Company have already been ISO9001 certified, and the goal is to have all Directorates certified in three separate phases. Phase I started on December 14th, 2008, and includes the Exploration & Production Development, General Management, and Planning & Gas Directorates. It is scheduled to be completed by the end of March, 2009. Phase II will involve South & East Kuwait, West Kuwait and North Kuwait, while Phase III will include Administration & Finance. Also at this time, the Technical Services Directorate will be certified on its own. Each Phase has three stages which include:

1. GAP analysis, awareness training and campaigns
2. Documentation, auditor training, implementation, and mock audit
3. Closure issues from certification audit

Each Directorate will have its own system with standards and all employees will need to abide by these standards. A consulting company has been employed to assist in the process and to advise the various Directorates as to how they can best meet the ISO requirements. Management Representatives and Assistant

Management Representatives from each Group have been assigned as the project leaders for the ISO system. They are responsible for implementing suggestions made by the auditors, coordinating and liaising with the consultants, communicating ISO to the Directorate, approving the processes, and perhaps serving as internal auditors. A steering committee, headed by Mr. Jassem Al-

Shatti, Manager-Management Support, oversees this critical project.

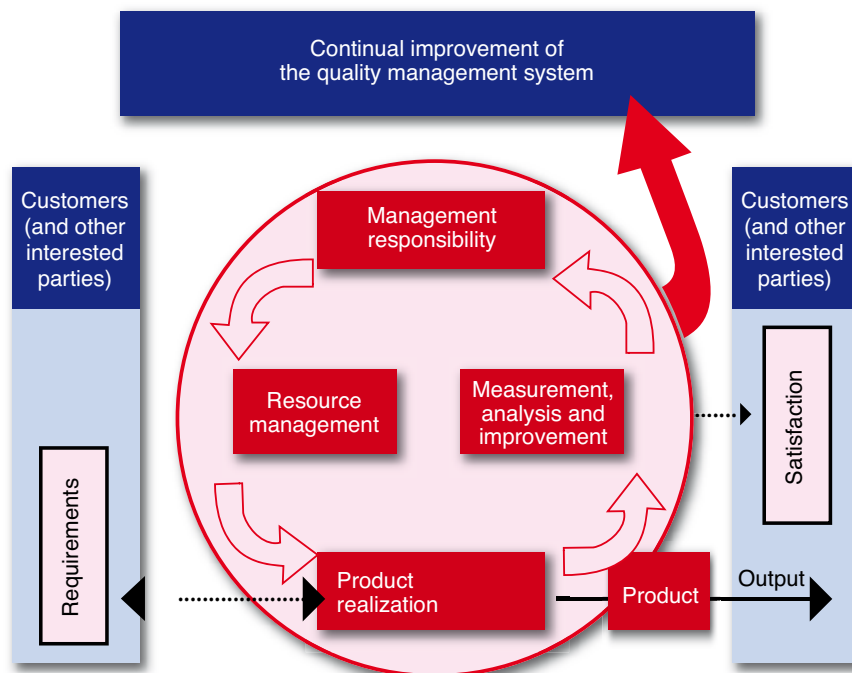
Certification

ISO9001 certification demonstrates the Company's commitment to quality. Once the Company has been certified, it will be audited by a third party every 6 months to ensure compliance. The certification, thus, needs to be continually maintained. In order to be granted the certification, an external company will audit KOC to ensure that the requirements are being met. Although certification will be on a Directorate level, the aim is to have all Directorates certified by 2011.

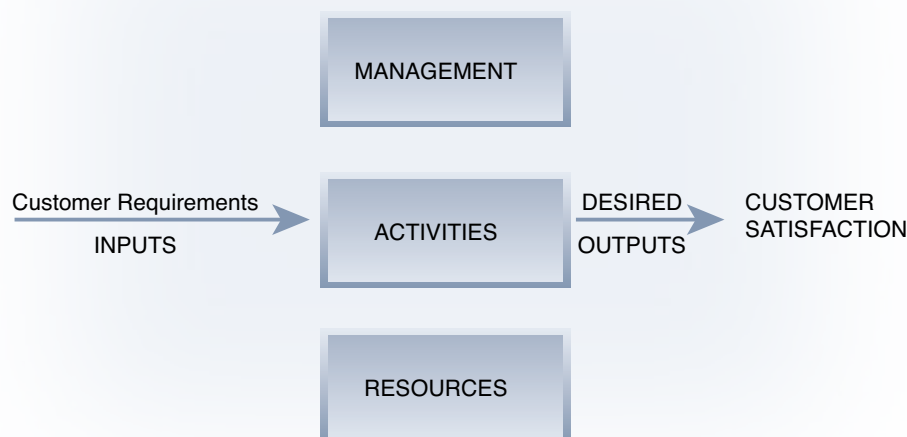
Conclusion

KOC, by implementing ISO9001, joins a large group of companies focusing on quality management. At the end of the day, KOC will witness an increase in the quality of output across the Company and will continue working towards increasing this quality. Although the certification itself is important, actual process improvement is the goal.

Quality Management Process Model



Basic Process Model



IMSAM (Integrated Multi-Simulation Asset Model) Project for North Kuwait

Submitted by: Abdulaziz Al-Dhuwaihi, Reservoir Engineer - FD (NK), RA Team

The IMSAM project in North Kuwait is one of the most advanced reservoir simulation exercises ever undertaken. The objective of the project is to improve the overall forecast accuracy by integrating full physics models of all the main producing reservoirs into a single model with their common production network and water disposal networks. By creating such an integrated model, KOC is able to better plan the field development and understand how facilities constraints will act upon the complete production. Prior to this, the individual field models were able to produce assuming that the surface production network will be able to handle whatever fluids are produced.

The resulting models included a total of 14 full Nexus field simulation models and 3 'source' terms representing EOR, Abdali and Ratqa production. The project was initiated in July, 2007, and commenced with a conversion exercise – the existing



Abdulaziz Al-Dhuwaihi
Reservoir Engineer - FD (NK), RA Team

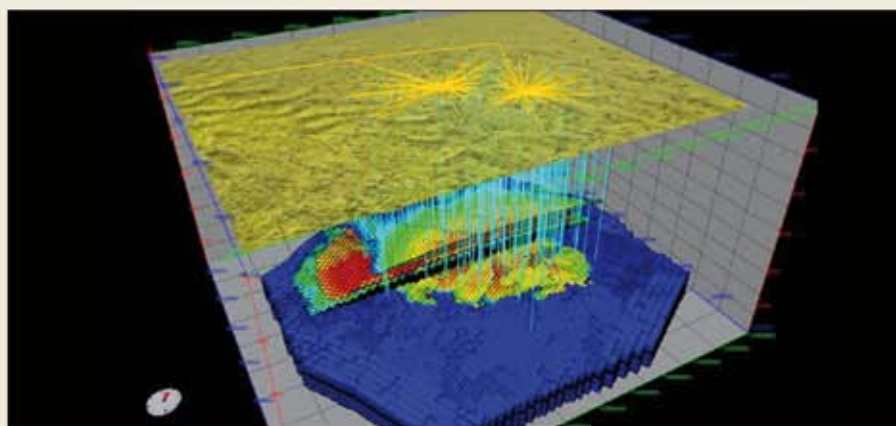
field models in Eclipse and VIP had to be converted to Nexus before being linked to the common surface network. The seven major full field models (five in Eclipse and two in VIP) represent many man-years of engineering work by the NK team, and by any standards can be considered complex models in their own right. The conversion of these models required the resulting Nexus output to match to a close tolerance the output from the original models.

This conversion work took

considerable time and the differences in the way the mathematical modeling was handled by the software created a number of challenges. When the converted models were still being optimized the team worked in parallel to build a surface network representing the pipelines connecting the wells and separators in North Kuwait. The wells were configured so that they might be switched automatically from one separator to the next when the modeled water cut increases, which is what happens in reality. The wells can also be switched from gas lift to ESP operation as required.

The integrated model was constructed and extensive testing performed to establish that the production from the original models was replicated in the models in the integrated network when no constraints were applied. Constrained production was then tested by putting a limit on the total water production which can be produced by the network. The model then showed how this constraint was distributed across the various field models.

Some minor work remains to be completed in standardizing the approach taken to different aspects of modeling in the individual fields and the ongoing process of updating history matches will still need to be performed. What has been achieved is a truly integrated asset model which will allow the NK team to build more reliable forecasts into the future and make better development plans.



One of the most complex integrated surface subsurface models simulated in NEXUS for North Kuwait

Enterprise Risk Management Workshops

The Final Phase

Enterprise Risk Management

Enterprise Risk Management (ERM), can be defined as methods and processes used by a company to manage risks and realize opportunities related to the achievement of their objectives. By giving the stakeholders a clearer picture of the risks facing the company, be they HSE, hazard, financial, operation, or strategic, ERM can help assure that these identified risks are properly monitored and managed.

Although the ERM frameworks can vary depending on the company and the risks involved, each framework describes a way of identifying, analyzing, and monitoring both risks and opportunities. Through this framework, a strategy is selected which normally includes: avoidance of activities that involve risks; reduction of any factors related to the impact of risks; sharing of the risks; insuring against the risks; and/or accepting the risk as part of a cost/benefit decision. The risks are then monitored through normal internal control activities to ensure that the strategy is indeed working and that objectives are being achieved.

ERM at KOC

ERM was authorized at the Kuwait Oil Company (KOC) on June 24th, 2006 by the C&MD at the time, Farouk Al-Zanki, as per a Kuwait



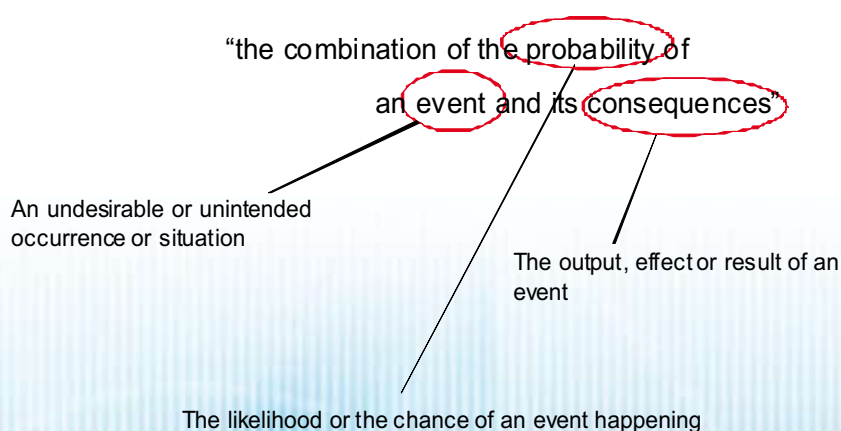
Shehab Abdullah
Team Leader – Risk Management

Petroleum Corporation (KPC) directive to all the K-Companies. Phase I of ERM, which was started in April, 2006, consisted of GAP analysis and the formulation of a KOC Risk Management Policy (see inset), while Phase II in April, 2007, involved a pilot project whereby two Groups, Financial Services and Export & Marine Operations, utilized

“Easy Risk” software for the updating of the Risk Register, which is a database established to manage risk. It was determined that risks at KOC fall into the following categories: financial, operational, Human Resources, HSE, and reputation, compliance & governance.

ERM entered its third and final phase at the Kuwait Oil Company when the Team Leader – Risk Management, Shehab Abdullah, opened the first of 12 workshops in November of 2008. Phase III, which is the roll-out of ERM across KOC, asks Groups to identify their risk areas, update the Risk Register, and report findings. Risks themselves are categorized according to a set of criteria in order to have unity across the system. In coordination with Det Norske Veritas (DNV) Consultants, KOC identified the risks at the Group level

What is a Risk?



through 12 workshops, involving 34 Groups, including more than 110 key participants. In the workshops, participants identified the risks associated with the activities of their Group, distinguished between cause and event and consequences, evaluated the risk exposure based on the probability of the 'event' occurring and the significance of the consequences, assessed the adequacy of existing controls, identified responsibility, and determined additional risk control measures which need to be implemented.

Conclusion

ERM does not end with the completion of Phase III in March 2009, but rather the established systematic approach to identify and manage risk will continue indefinitely as part of best business practices as will be a demonstration

KOC's ERM Policy

KOC will adopt a Risk Management Framework that is consistent with international best practice to manage our current and future business risk profile, and strive for continual improvement.

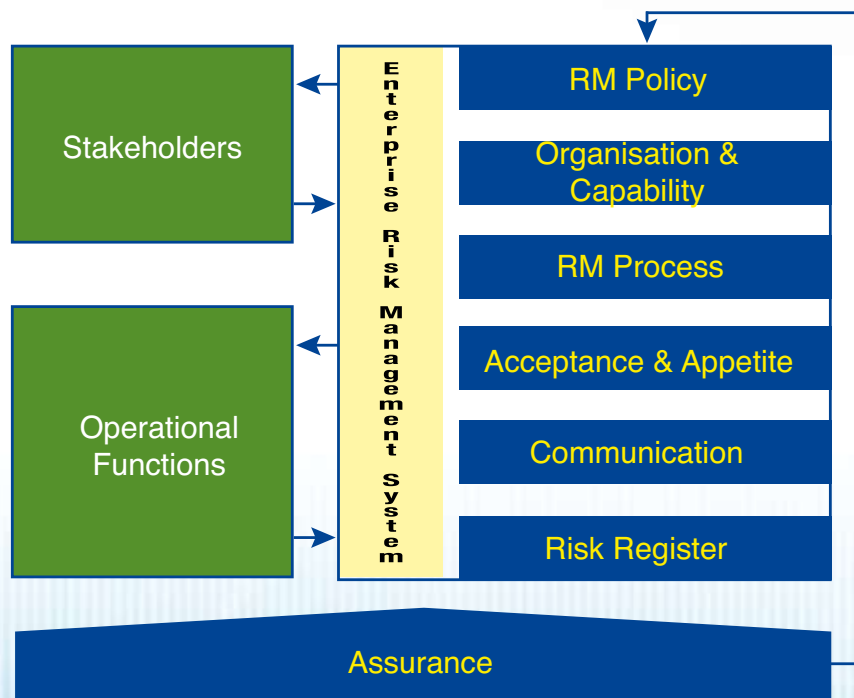
Risk is inherent in all KOC's business activities and employees intuitively manage many risks on a daily basis. However, more formal and systematic approaches to risk management have become an accepted component of best business practice, and are a requirement of the Leadership Committee and their line managers.

Risk Management is fundamental to achieving KOC's business aims. By capturing the risks, applying appropriate action to reduce the impact to a level that is acceptable to the business, we can have confidence in our processes. We shall endeavour to be more open and share our learning based upon the risk databases we create.

Having a greater visibility of our risks will enable the Leadership Committee to monitor the actions and, where necessary, apply the appropriate resources for a successful outcome.

KOC's Risk Management Framework will lead to a clear understanding of our risks, thereby improving decision-making, performance and accountability to all levels within the Company and increasing the likelihood of successful realization of KOC's 2020 Strategy.

KOC ERM Framework



that KOC has good control over its risks. As such, every employee is a 'risk manager' and plays a role in developing a risk awareness culture. The advantages to having such a system are numerous and include: alignment with the KPC strategy and with the other K-Companies, demonstration of good governance, confirmation of legal compliance, increased organizational effectiveness, job security, and a minimization of operational losses.

Abdullah also presented the KOC ERM case in the recently held Oil & Gas Construction Project Risk Management Conference in Abu Dhabi. Participants appreciation emphasized that KOC is a pioneer company among the other oil and gas companies in the region in terms of implementing the ERM concept.

The Technical & Professional Ladder

Recognizing and Rewarding Technical and Professional Experts within the Company

The Technical & Professional Ladder (TPL) has been in place at the Kuwait Oil Company (KOC) for a couple of years and has gradually been expanded to include most areas of the Company. The Kuwaiti Digest spoke with the KOC TPL experts DMD-Administration and Finance, Khaled Al-Khamees; Manager-Human Resources, Sami Al-Juhaim, and Acting Team Leader-Job Evaluation, Fahad Al-Otaibi to find out more about TPL.



Khaled Al-Khamees
DMD-Administration and Finance



Sami Al-Juhaim
Manager-Human Resources

What is the Technical & Professional Ladder?

The Technical & Professional Ladder (TPL) is a promotion ladder system which runs in parallel to the regular management ladder. It was developed to allow for individuals with specialist skills to advance within a company within their area of specialization, without needing to move into the management function. As a result, it is a win-win situation for the employee and the company since the employee is promoted and the company maintains high quality individuals who can concentrate on increasing their technical and professional competencies.

According to its name, the technical side focuses on scientific and engineering disciplines, while the professional side covers non-technical areas such as legal, finance, and administration. An important

point to mention is that TPL is a continuous process rather than a project with a set start and finish.

What is the advantage of having TPL within the K-Companies?

The pyramid structure of an organization limits the promotion opportunities for those on the management ladder, and within the technical and professional areas, it is not always possible or beneficial to be on the management ladder. In the Oil & Gas sector, one of the main challenges facing companies is the recruitment and retention of top people. Mechanisms already exist for the development of managerial talent, and even though a type of professional ladder did exist, it was not systematic or competency based. Consequently, the Kuwait Petroleum Corporation (KPC) employed consultant to examine the professional ladder, with the result that TPL was approved in April of 2006. Applied across all of the K-companies, it



السلم الفني والمهني

Technical & Professional Ladder (TPL)

TPL WEBSITES:
FOR FURTHER
DETAILS ON TPL
PLEASE REFER TO
THE TPL WEBSITES IN
HOMES OF K-COMPANIES.

KPC: [HTTP://LINK.KPC.COM.KW/TPL](http://LINK.KPC.COM.KW/TPL)
KOC: [HTTP://MYKOCPORTAL/DEFAULT.ASPX](http://MYKOCPORTAL/DEFAULT.ASPX)
KNPC: [HTTP://HOME.KNPC.NET/DEPARTMENTS/TPL/](http://HOME.KNPC.NET/DEPARTMENTS/TPL/)
PIC: [HTTP://ERPEPUGAP01.PIC.COM.KW:7777/PLS/PORTAL](http://ERPEPUGAP01.PIC.COM.KW:7777/PLS/PORTAL)



provides the same benefits to the technical and professional staff.

A Steering Committee headed by the MD Finance and Administrative Affairs at KPC manages the project. The DMD Finance and Administration at KOC is a member of the committee, and the Team Leader, Job Evaluation and the Chief Analyst, Job Evaluation comprise the KOC TPL Team. In addition, a sponsoring DMD is appointed for each 'job family' with Managers (called Champions) working closely with HR to recommend candidates, develop a model based on the KOC Strategy and how the job family relates to it, set objectives and competencies, and match employees with these competencies.

In particular, TPL helps the K-Companies achieve their goals as it:

- Increases the technical and professional competencies related to the core business,
- Retains top-class staff by adequately rewarding them for their dedication,
- Leverages its best technical and professional staff to nurture and develop future TPL members,
- Achieves a level of technical and professional excellence in core business areas without depending on external assistance.

In addition, it is expected that the TPL will be applied across all of the K-Companies by April of 2009,

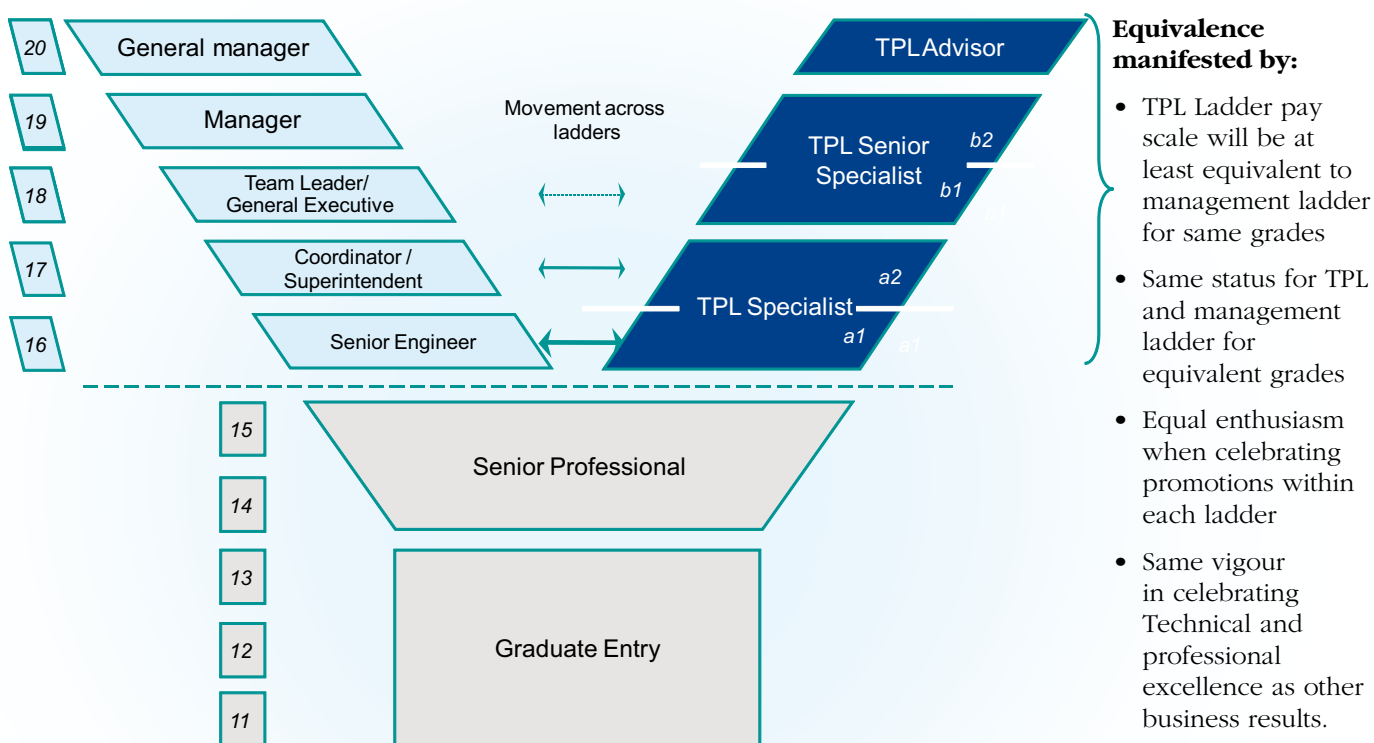
bringing uniformity and equal opportunity.

Who at KOC is eligible for TPL?

Employees of grade 15 and above can be nominated for TPL, either through the line manager or Human Resources, and undergo a series of evaluation and reviews to determine their suitability. A TPL Competency Profile is used to evaluate the candidate in six key areas which examine a candidate's level of expertise, leadership, and impact. The areas include:

1. Technical competency
2. Functional competency
3. Contribution to discipline knowledge

TPL is equivalent in status with the Management Ladder. It encompasses 3 levels with 5 sublevels



Kuwait Petroleum Corporation
and subsidiaries

4. Value creation

5. HSE behavior

6. Coaching and/or mentoring

Basically, employees who have given presentations, had papers published, and otherwise increased the value of the Company through savings of time or money, or dissemination of information, are potential candidates. Health, Safety & Environment (HSE) is also important and candidates are examined on their HSE behavior. After a successful nomination,

candidates present themselves to the Review Committee, which is composed of 3-5 internal and external experts.

Also, candidates must be good in all areas; needing to achieve a score of 4 overall and at least 3 (on a scale from 1 to 5 with 5 being the highest) in each area.

How does the promotion within TPL work?

TPL does not involve a quota for each level and employees are not

competing with each other. Once in the system, an employee will be promoted when certain criteria and competence targets have been met. It is not intended to reward seniority alone and the position is based on the depth of technical or professional competency rather than the place within the organization. The ladder consists of three levels and five salary bands (see diagram). Starting at a TPL Specialist designation, an employee can be nominated for the TPL Senior Specialist and further nominated for the TPL Advisor. The difference between the levels is in the depth of expertise and the scope of influence. Also, once in the TPL, an employee still has the possibility to migrate to the management ladder if the opportunity arises.

Where is TPL in place at KOC?

KOC, along with KNPC and PIC, was part of an initial pilot project which was successfully completed in February of 2007. Geology & Geophysics and HSE were the two initial 'job families' and the system was expanded in 2008 to include Petrol & Reservoir Engineering, Drilling & Well Engineering, Projects Engineering, Contracts, and, in 2009, Information Technology. In addition, top management has also agreed to implement TPL in Human Resources, Training & Career Development, and Finance, bringing the total number of job families at KOC to fifteen.

To date, about 108 employees, both Kuwaiti and non-Kuwait nationals, at KOC have migrated to TPL.

Conclusion

KOC is encouraging employees to migrate to TPL and recently reviewed the compensation package to ensure that benefits for TPL are equal to or exceed that of the Management Ladder. As mentioned it is a continuous process and each job family is eligible for TPL review every 2 years.

What recently migrated employees from the IT Group have to say about TPL

Malik Abdul-Salem: "TPL has added opportunity and recognition in the IT industry since the technology growth is dynamic. This will require an extra effort from us to do research and studies to bring the optimal solution for our projects. This has also added an extra layer in our career towards motivation and professionalism."

Al-Subaie, Hamad: The TPL being a competitive program has helped sharpen and strengthen personage science. By the end of this program we had to see more than a circle of light around us, farther horizon and by passing on this ladder, Instead of focusing on cracks in the sidewalk in front of us, we need to lift our vision in order to recognize our opportunities for leadership in our vocation.

Al-Ajmi, Mohammad Rasheed: The TPL system provides a road map and opportunity for career development of technical and professional experts within the organisation who love to accept challenges, demonstrate their abilities, and contribute to achieving the business needs and the vision of the Company. I believe TPL is achieving its objective to recognise, encourage and develop the technical and professional competency among the staff. To me TPL is not only a Technical and Professional Ladder but also a process to "Transform the abilities to prove our Leverage".

Haider, Fadhel Ali: "Being recognized as a TPL Specialist has certainly boosted my spirits, leading the way to provide the Company with expert consultancy, set standards and policies for telecommunications, guiding and mentoring within the Team, and initiatives towards developing new and effective HSE measures."

Hraishb, Hussain: "TPL will allow me to pursue a technical career path and to be promoted based on my technical knowledge and skills rather than quotas and vacant posts. The system will also allow me to deepen my technical knowledge by nurturing and developing me in specific disciplines in order to meet KOC's business requirements."

Team Leaders and their Role in the eBEAMS Implementation Process



The last issue of The Kuwaiti Digest introduced the role of Change Agents in the eBEAMS implementation project. Since then, the respective Team Leaders of the Change Agents have attended information workshops conducted by the eBEAMS Change Management Functional Team (CMFT) Committee, led by Ahmed Al-Kharaz, Team Leader – Quality Assurance Management and Head of the Change Management Functional Team. The workshops consisted of an overview of the eBEAMS project, its objectives and current status, as well as the roles and responsibilities of the Change Agents.

The goal of the workshops is to make Team Leaders aware of the eBEAMS process and the important role that the Change Agents play in this process, as well as to garner support from the Team Leaders. It was emphasized that Change Agents have been chosen for their knowledge, personal interaction capabilities, and drive to get things done. As volunteer members, Change Agents willingly take on the role in addition to their regular responsibilities, placing extra demands on them. As such, it is vital that their Team Leaders understand this and provide full support. The CMFT is requesting that Team Leaders:

- Provide sustained support
- Put the roles of the Change Agents in the Key Performance Indicators (KPIs)
- Obtain the support of other Team Leaders within the Group
- Empower the Change Agents



the eBEAMS Charge Management Functional Team

- Promote the need for process adherence as standardization is critical.

Not surprisingly, many of the Team Leaders attending the workshops had questions and concerns regarding the new system; common questions included:

Will eBEAMS replace all the other systems which currently exist at KOC? No. eBEAMS will replace the MMMS systems, which focused on maintenance, but will be integrated with all of the other systems including Oracle, the Financial System, the Human Resources System, GIS, FIMS, Finder, Landmark, etc.

Why is MMMS being replaced? MMMS, as mentioned focused on the maintenance of the assets, which as a cost focus. eBEAMS, as with the profit centre, focuses on the asset itself and on profit maximization. With the new system, there will be mitigation of

risk through better information and extracting greater life-time value of the asset. In fact, all expenses will be tracked and each area will know at any time, at the press of a button, how much has been spent to date.

When will the system be implemented? End-users training is scheduled to begin in May of 2009, with the system going live in 2010. Change agents will be involved in the training of end users and are an important communication link with the CMFT.

In conclusion, any questions that Team Leaders have with respect to eBEAMS should be discussed with the Change Agent, who will address the issue with the CMFT. Team Leaders may also contact the CMFT directly, and all Team Leaders are encouraged to voice their opinions and concerns. To assist with clarification, the CMFT has produced a Change Agent Handbook with information on the eBEAMS project.



Adaptive Telepresence Enhances Business for KOC

Video-conferencing is not new to the Kuwait Oil Company (KOC); the first video-conferencing occurred in 1997. Used for over a decade, the old technology has recently been replaced with telepresence, the next generation in video conferencing which gives a more virtual effect. Located in the KOC Contracts Team and the KPC High Tender Committee conference room, the system is managed by the Team Leader – Communications and Networks, Mohammed Khadada along with TPL Specialist, Fadhel Haider, and previously Senior Engineer, Koreich Rahman.

Khadada explained that in the past, a DSL system was used for video conferencing, but now IP numbers are used, meaning that in the future individuals using laptop computers will also be able to link up with conference calls. This will, of course, add greater flexibility as individual participants will not need to be physically present in the conference room, but can log-in from home or



Mohammed Khadada
Team Leader – Communications and
Networks

on the road, anywhere in the world. All that is needed is an IP address. Currently, fibre-optic cables are used for the system, but in the future, WiMAX (wireless technology) will be used along with other forms of media with an appropriate bandwidth. It is worth noting that telepresence is just a part of the entire videoconferencing equipment that is installed at various locations at KOC.

Haider elaborated that telepresence goes beyond traditional video-



Fadhel Haider
TPL Specialist

conferencing by increasing the picture quality, allowing for multi-video conferencing with 8 sites (with even more being possible with the use of the Multi-conferencing Unit), allowing for more than two connections, and creating a virtual feeling. In fact, specially designed rooms which allow for up to 6 participants encompass a special conference table, 3 HD plasma screens, a screen for data collaboration and display of documents, and 3 cameras. The effect is a realistic

conference situation where even though the other participants are far away, it feels as if they are sitting in the room.

According to Rahman, an optimal telepresence experience is possible with a speed of 8Mbps, but even 2Mbps will be enough for good picture quality. He emphasized that the new system is very flexible and allows for eight sites to be linked together. The system is already being used between the Kuwait Petroleum Corporation and the Contracts Team to save travel time and expense. In the past, weekly meetings were conducted in person, with KOC staff having to drive over an hour to reach the KPC office. Now, KOC staff can conference call KPC staff without having to leave Ahmadi. In addition to saving time and cost locally, the system can be used to reduce international business expenses as well, and will be used



Koreich Rahman
Senior Engineer

for recruitment, medical consultation with the use of a 'portable', e-learning, and marketing purposes.

Indeed, the first marketing exercise was performed in January of 2009, when the system was used for teleconferencing with two locations in the United States: New Orleans and Houston. Rather than flying to the USA to explain KOC activities and pre-qualification requirements, time and money were saved when Team Leader –Fields Development Heavy Oil, Ibrahim Al-Sammak,



Teleconferencing with two locations in the USA

Team Leader –Fields Development Gas, Ahmed Al-Eidan, and Team Leader – Contract II, Ibrahim Faraj, presented to about 60 members of the U.S. Export Assistance Center.

According to Faraj, there are many contractors in countries around the world who have the potential and the capabilities to assist KOC, unfortunately they do not know how to approach KOC. "We had the idea to be proactive and to seek out the companies, with the assistance from local embassies, to show KOC activities, strategies and goals and the pre-qualification process," he explained. For this first-of-a-kind conference call, the American Embassy was chosen and KOC worked closely with Nancy Charles-Parker, Regional Counselor for Commercial Affairs, and Ahmed Yousef, Commercial Specialist, to find organizations and companies who could potentially meet KOC needs. The areas of heavy oil and gas were chosen as they are new areas at KOC where external knowledge, experience, and technology is needed. Houston and New Orleans, both hubs of the American oil & gas industry, were logical places to start, and the U.S. Export Assistance Center in both

locations was approached because of its wide-based membership. The only snag in the plan was finding a facility with technology that was compatible with that of KOC's state-of-the-art system. In the end, Tulane University assisted the event by providing a venue with a compatible video-conferencing system.

The success of the first video-conferencing with the USA will provide the impetus to perform similar conferencing with other countries. In fact, the embassies of the UK, Canada, Germany, and Romania have already been approached, and it is hoped that KOC can reach the world oil market through the click of a button.

The system is also available for all staff at KOC and sessions can be booked ahead of time. This system is a trend-setter within the K-Companies and plans are already in place to have the system installed at the Kuwait National Petroleum Company (KNPC), with other K-Companies to follow suit in the future. The aim is to use the system internally within the K-Companies, starting with weekly video-conferencing between KOC and KPC. The result being a reduction in travel time and fewer costs.



Combining Function and Form

The New Office Complex

The Kuwait Oil Company's (KOC's) new office complex is more than just a pretty sight; it is also designed with function and ease of communication in mind. Encompassing fourteen separate buildings, the complex brings together Teams at KOC which were previously scattered throughout Ahmadi. Tenants of the Main Office, including most of the Managers, have stayed where they are, but most Team Leaders and their staff can be found in the new office complex.

Ismail Ashkanani, Senior Engineer, Major Projects II, Team IV, was the Project Manager for the construction of the complex and explained the details to The Kuwaiti Digest. The concept for the complex was initiated in 1995, when it was evident that KOC needed more space, preferably a large complex which could incorporate the various Teams. KOC land was surveyed and it was decided to build next to the industrial area. The area already had many office buildings, so

tenants in these buildings needed to be relocated and the buildings demolished before construction could begin. In addition, plans of the site were out-of-date with respect to electrical, water, and sewage lines, making it necessary to dig in the area in order to manually complete an accurate site-plan. A survey for unexploded ordnance was also carried out. According to Ashkanani, this initial work was the most challenging part of the entire project.

The contract for the project went to tender and the architectural design was awarded to Gulf Consult with the major construction contract awarded to Al-Alamiya Trading & Construction Co. Three important subcontractors include Kharafi National, Al Nafisi, and Zak Solutions Computer Systems Co., as well as many minor subcontractors for finishing work. At a cost of 29 million KD for the construction of the buildings, parking lots, and landscaping, in addition to 5 million for furnishings, the project is

considered relatively low-cost.

The groundbreaking ceremony took place on the 4th of June, 2005, and the complex was completed in two stages, with buildings 3 and 4 finished and handed over in December of 2008, with the rest of the complex buildings expected to be finished by the end of April 2009. Encompassing a reception area, a cafeteria, an auditorium, several large meetings rooms, and a large prayer room capable of holding over 100 people, building 5 is the main building in the complex. All other buildings also have smaller meeting rooms and prayer rooms. Interestingly, all buildings are connected with overhead passageways, thereby eliminating the need to be outside during the frequent sandstorms.

The initial plan was to have all buildings with two stories, but this was changed as space requirements increased and an additional floor was added to buildings 1 and 2. The total size of the project was

increased by about 30%, which meant an additional 800 offices. Building number 6 was also added, complete with a basement including a 1,000m² disaster-recovery room.

The landscaping is also first-class with a fountain in front of the main building which is linked to the other areas through mini-waterfalls and canals. Covered walkways run parallel to the canals and the areas in between include large areas which can be used for various outdoor functions. Palm trees have already been planted and additional shrubbery will be added during the next planting season.

As 2,600 employees will be working in the complex, parking is an important issue. Spaces for 80% of employees have been allocated on both sides of the complex, as well as guest and VIP parking. In addition, a ring road will go around the entire site, allowing for access from two sides, including from the industrial area.

The building themselves are designed to use as much space as possible while at the same time giving a feeling of openness. Included in each building are large, open waiting areas, large lights, panorama elevators, open lobbies



Senior Engineer, Ismail Ashkanani explains the complex to C&MD, Sami Al-Rushaid and DMD-Administration and Finance, Khaled Madhi Al-Khamees

with high ceilings and windows that provide natural light. Inside space in the buildings has been allocated to the many meeting rooms and large cubicles, while the outer sides are for special smoking rooms with additional ventilation, and offices for Team Leaders and Specialists. The furnishings have been supplied by two local contractors, with all furniture coming either from the USA or from Italy.

Safety issues have also been taken into consideration and exits have been carefully designed and clearly indicated. In addition, fire doors in each area can be closed if required to contain a fire. Extra thick and made of special fire-retardant material, the doors can prevent

a fire from spreading for up to 2 hours. Health of the employees was also a focus and each room has a thermostat, allowing for individual adjustment of temperature. Also, the windows are from Germany and are double-paned, preventing dust from entering the building. They can be either fully opened or tipped to allow entry of fresh air on good-weather days.

The plan is to have all buildings fully occupied by May 2009. The various buildings around Ahmadi which are being emptied as people move to the new complex will be utilized by advisors and consultants. Combining most Teams in one area will not only increase efficiency of works by eliminating travel time, but will also give employees a feeling of really belonging to one company.



Protecting the Environment

KOC Outlines Improvements to Existing Regulations

The importance of the environment to the Kuwait Oil Company (KOC) has been demonstrated in the past through many projects, including Kuwait Oasis and Spirit of the Desert. KOC is going one step further by reviewing existing Environment Protection Agency (EPA) regulations, how they apply to KOC, and whether or not they can and should be made even more stringent. Addressing this issue, Integrated Environmental Solutions presented, "Consultancy Services to Carry Out Evaluation of Kuwait EPA Regulations for the Oil & Petrochemical Industry" to representatives from KOC, EPA, and various K-Companies.

The Evaluation Process

The follow-up to the presentation was workshops and dialogues between the representatives to determine where environmental

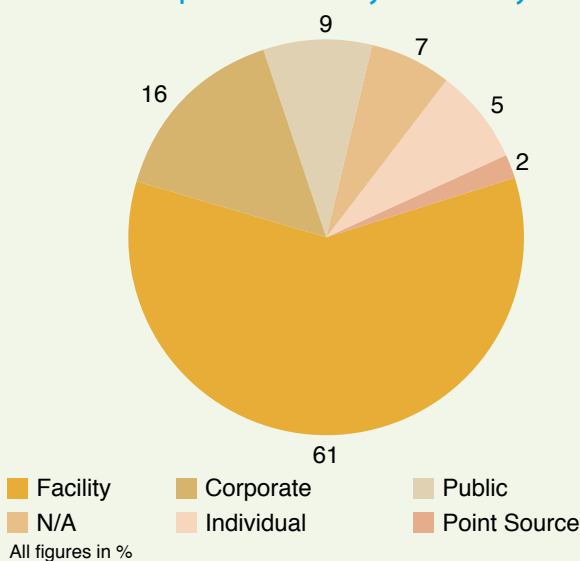
compliance in the energy sector is most likely to go in the future; the aim being to consider the K-Companies visions of future Kuwait environmental laws and compliance management in order to create a better sustainable legal framework for HSE operations in the oil & gas industry that will benefit all stakeholders. In order to do so, certain steps were followed including:

- Identifying the appropriate Kuwait EPA articles from Decision No. 210/2001 that apply to HSE in the oil & gas industry (applicability analysis),
- Converting these articles into auditable protocols (conversion analysis),
- Looking at the impact of not complying and the cost of non-compliance (risk analysis),

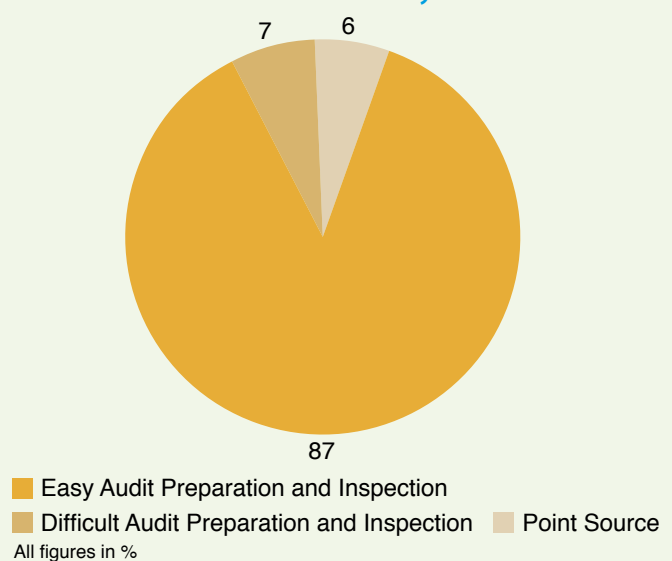
- Determining any missing or incomplete requirements, including English translation (deficiency analysis), and
- Comparing Kuwait laws to United States laws, using the mature environmental regulations of the US as a baseline.

The steps also involved determining responsible parties for each protocol, establishing the enforceability of existing article, and identifying who or what is impacted by each article. The methodology involved sending questionnaires to the K-Companies with regards to what they were doing with respect to the environment, and then corresponding these actions to the applicable articles using a Kuwait Conversion Analysis Tool (KCAT), which is IES proprietary software. Information was entered into a database and a Total Ranking

Responsible Party Summary



Audit Summary



Score (TRS) was computed for each individual article according to the formula:

$$\text{TRS} = \text{average (applicability group)} \times \text{average (1 + conversion group)} \times \text{product(1 + risk group)}$$

Scores ranged from 27 to 270.5, with the higher the score, the more complex the compliance requirements.

The Results

Of the 86 articles examined in Decision No. 210, there were a total of 443 clauses, and 337 of these were applicable to one or more of the K-Companies; non-applicable articles were primarily in the areas of agriculture/food, natural resources, medical waste, household landfills, and definitions. Of these 337 clauses, 43% applied to all of the K-Companies, with the Kuwait Oil Tanker Company (KOTC) using 306 clauses (260 clauses were applicable to KOC). Not surprisingly, the facilities were impacted the most by the clauses, followed by the public and then individual employees (see graph on Responsible Party Summary). What this means is that most of the impact of any changes made to

the clauses will be Company-based and, therefore, controllable. It also means that as individuals in the K-Companies change with time, the process in place with respect to the environment will remain the same and adherence to the articles will remain in effect.

In addition, it was determined that most of the articles can be audited with a simple yes/no question (see graph on Audit Summary), making any checks on conformance easy to perform. In terms of the risk of non-compliance, most clauses had a low likelihood of having a high impact, while only a few had a high likelihood of having a high impact. However, 22% of the clauses did have a medium chance of non-compliance having a medium impact, which means that implementing proper control measures will be important. As with any project, cost is a factor and it was reassuring to determine that 74% of the clauses (see graph on Cost Risk Compliance) involved a low cost of compliance, meaning that significant extra funds will not be required.

Although most of the study pointed to positive benefits, there were

also areas where deficiencies were apparent, such as the current case that Environmental Impact Assessment (EIA) has no exemptions, even though it may not be necessary in all cases. Also, there are currently no standards set for groundwater or for pollution/contamination in soil. Obviously, these areas will need to be addressed in the future.

Finally, when compared with American standards, the Kuwait EPA standards were more stringent in 30% of the cases while the US standards were more stringent in 29%, with the overall comparison indicating that standards from one nation cannot be deemed better than those of the other nation.

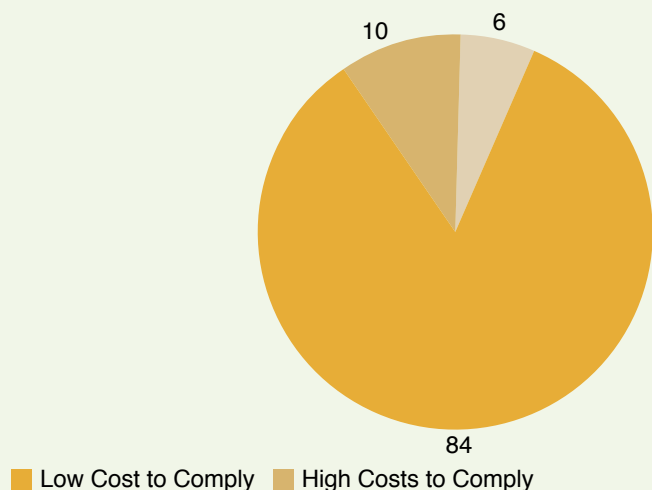
The Recommendations

KOC invited EPA and K-Company representatives to the workshop not only to inform them as to KOC's plans, but also to ask for advice and suggestions. One main recommendation from the study will be the increase in enforcement; at present, decisions are weakly enforced and handled indirectly by planning. Other recommendations include:

- Conduct a new English translation for the entire Decision No. 201,
- Review other Kuwait HSE regulations and international agreements using the KCAT methodology,
- Review thresholds and exposure limits defined in the appendices of the Decision,
- Identify project limits that initiate EIA action, or that can be exempted,
- Establish permit programs for water and air emission sources.

By working with the other K-Companies and EPA, KOC is working proactively to improve the existing regulations with regards to the environment in order to help ensure a cleaner, safer environment for all.

Cost Risk Summary



All figures in %

ASTHMA

What is asthma?

Asthma is a chronic disease whereby the airways become irritated and inflamed. When the asthma sufferer comes in contact with a 'trigger', which can be animal hair, dust, cigarette smoke, etc., the muscles around the airways tighten, causing the airways to become narrower and making it more difficult to breathe. In addition, the airways, in an attempt to reduce the irritation, may produce more mucus than normal, which can further narrow the airways. Asthma symptoms include bouts of coughing, wheezing, tightness in the chest, and shortness of breath.

The symptoms often disappear on their own within a few minutes or hours, but in some circumstances they worsen into what is called an asthma attack or flareup. A severe asthma attack may require emergency care, and can even cause death. There is no pattern to the frequency of symptoms as they vary greatly among people and even with

individuals. For instance, some people have asthma symptoms only when exercising. Signs that an asthma attack may be imminent include:

- Frequent coughing, particularly at night
- Shortness of breath
- Tiredness or weakness when exercising
- Wheezing or coughing after exercise
- Tiredness or moodiness
- Decreases or changes in lung function as measured on a peak flow meter
- Signs of a cold, or allergies
- Problems sleeping

Although asthma can affect people of all ages, it most often appears in childhood before the age of 5. In



the world today, approximately 300 million people suffer from asthma, and the number is increasing. It affects women more than men and can run in families.

What are the causes of asthma?

Although triggers, which can result in asthma symptoms, have been identified, the cause of a particular asthma attack is not always clear. As mentioned, triggers can include animal hair, dust, and cigarette smoke, as well as infections, chemicals, allergies, exercise,

emotional stress, and even laughing or crying.

What is the treatment?

Unfortunately, there is no cure. However, there are various treatments such as removing the triggers, and medication, which allow most asthma sufferers to lead normal lives. Inhalers, or puffers, or common medicines and involve a gas or dry powder which is inhaled into the airways. Inhalers are either relievers used to treat already existing symptoms, or preventers which, as the name implies, prevent the symptoms from occurring. Relievers are normally blue or green in color and can be short-acting or long-acting. Preventers are brown, orange, or red in color and contain a steroid medicine.

Other medicines used to treat asthma include steroid tablets and nebulisers, which make a mist of water and asthma medicine that is breathed in.

What is being done in the world to manage asthma?

A report from the National Heart, Lung and Blood Institute and the World Health Organization (WHO) from 1993 entitled, 'Global Strategy for Asthma Management and Prevention', presented a plan to reduce disability and death caused by asthma. In addition, the Global Initiative for Asthma (GINA) was formed to disseminate information on the disease to public health officials, organizations, and individuals. One of GINA's activities is the annual World Asthma Day, which will take place next on May 5, 2009.

What is being done in Kuwait?

Asthma is a serious problem in Kuwait, which is being addressed

through various activities including the first ever Middle East Conference on Asthma, which was held in Kuwait in January of this year. Dr. Fatma Al-Hurish, Chairperson of the

step towards creating a dedicated team in the near future to implement effective asthma control in Kuwait and possibly, the entire Middle East as well."

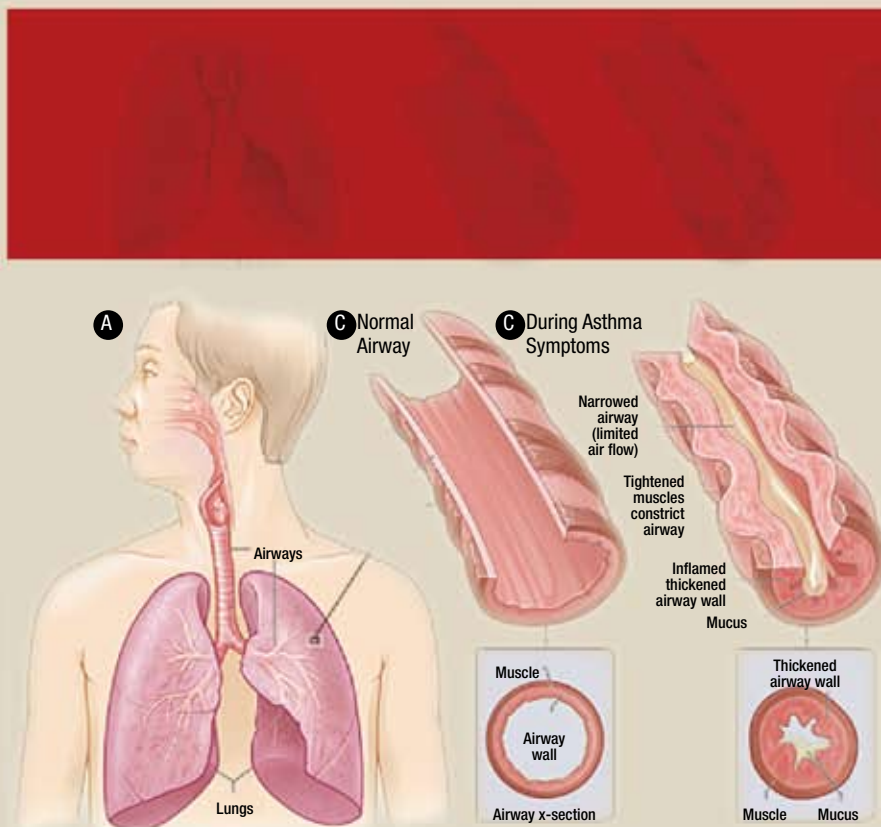


Figure A shows the location of the lungs and airways in the body. Figure B shows a cross-section of a normal airway. Figure C shows a cross-section of an airway during asthma symptoms. (courtesy of National Heart ,Lung and Blood Institute)

conference, said, "The incidence and prevalence of asthma have been noted to increase over the past few decades. There is also an upward trend in asthma mortality with annual deaths of 250,000 - (worldwide); the increase in mortality and morbidity of asthma is unlike other chronic diseases where mortality and morbidity numbers are declining. This conference is the first

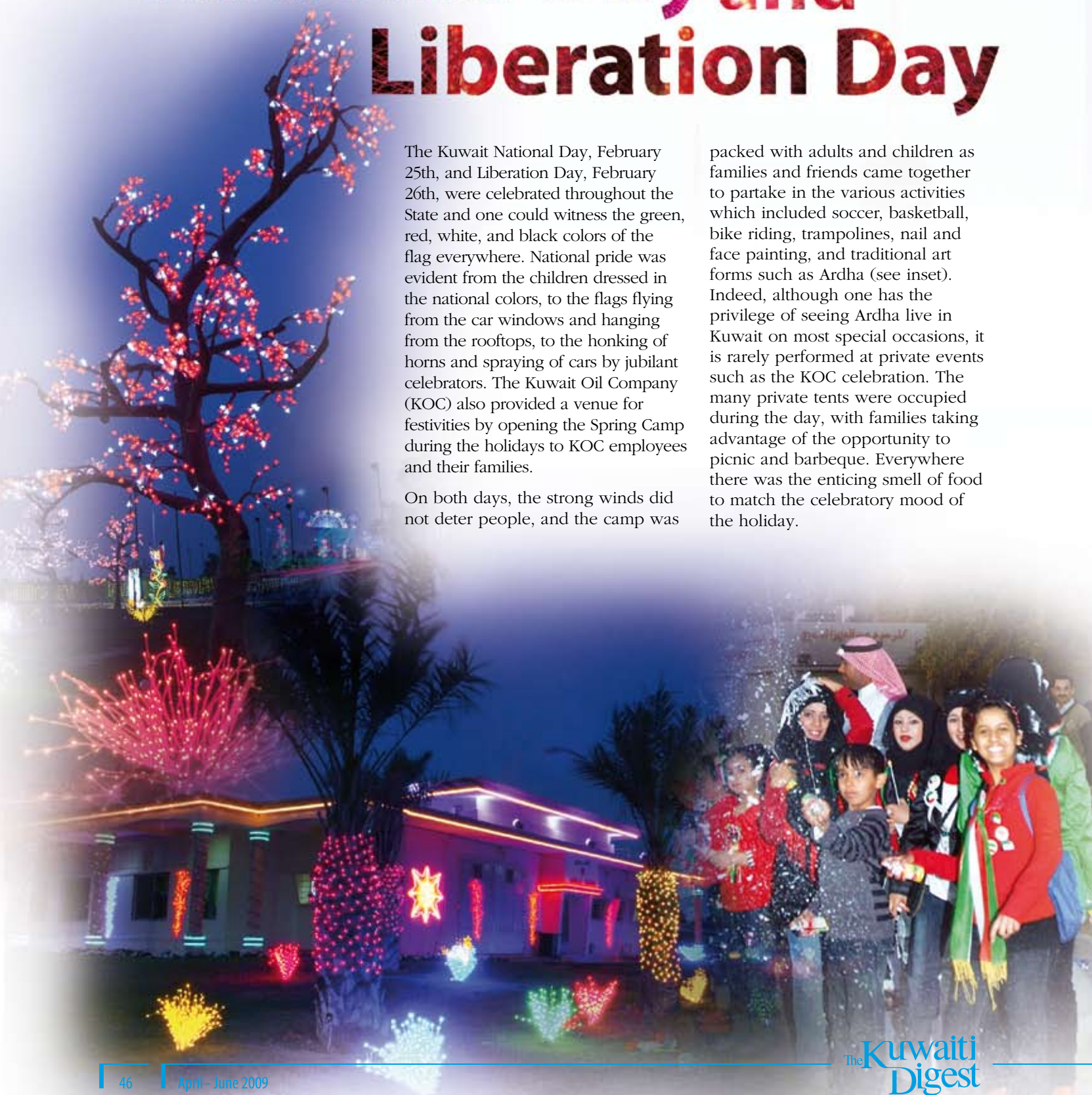
If you think you may have asthma, contact your general practitioner. Various tests can be performed to determine if you actually suffer from asthma, and a plan of treatment and control can be established to help alleviate the symptoms.

The Kuwait Oil Company Celebrates National Day and Liberation Day

The Kuwait National Day, February 25th, and Liberation Day, February 26th, were celebrated throughout the State and one could witness the green, red, white, and black colors of the flag everywhere. National pride was evident from the children dressed in the national colors, to the flags flying from the car windows and hanging from the rooftops, to the honking of horns and spraying of cars by jubilant celebrators. The Kuwait Oil Company (KOC) also provided a venue for festivities by opening the Spring Camp during the holidays to KOC employees and their families.

On both days, the strong winds did not deter people, and the camp was

packed with adults and children as families and friends came together to partake in the various activities which included soccer, basketball, bike riding, trampolines, nail and face painting, and traditional art forms such as Ardha (see inset). Indeed, although one has the privilege of seeing Ardha live in Kuwait on most special occasions, it is rarely performed at private events such as the KOC celebration. The many private tents were occupied during the day, with families taking advantage of the opportunity to picnic and barbeque. Everywhere there was the enticing smell of food to match the celebratory mood of the holiday.



The main tent also hosted popular music. Not only were flags to be seen waved by children on stage, but they and many of the adults packing the tent were bedecked in clothes and accessories in the national colors. As the day ended, the Spring Camp, adorned with special lights, became brilliantly lit. Outside the main tent, various stalls provided the public with souvenirs, fast food and snacks.

Previously a British Protectorate, Kuwait gained independence on June 19th, 1961, and it was decided to make February 25th the National Day in honor of Sheikh Abdullah Al-Salim Al-Sabah, who ruled from 1950 to 1965

Ardha

Traditionally performed by the tribes of the Arabian Peninsula before going to war, this art form is gradually disappearing in many part of the region. Originally from the Nejd region in Saudi Arabia this dance form spread to the other Gulf States and developed over time from an aggressive war dance to a more passive form that reflected the fishing and pearl diving lifestyle of the people of the Gulf. With the declining importance of the fishing and pearl diving, the performing of Ardha became limited to important functions and celebrations. Although some may consider Ardha an archaic art form, the evolution of the dance is evident in the creation of new songs and movements. In fact, a special Ardha was written for the 2009 celebration of National Day and Independence Day, and is proof that the art form is still alive and even evolving:

Today, We Celebrate Kuwait

Today is Kuwait's National Day and the celebration of Abu Nasser.

Many happy returns, with pride and joy

It is our custom in February

For all to be at peace

All are here for our Kuwaiti jubilation

We will sacrifice our souls for the sake of Kuwait

Kuwait is the home of pride since Abu Jabir's era Our Sheikhs, courageous, have protected us

Our ruling family is dedicated and works to better the country

poet: Mutlaq Nabar Al Mutairi

and is considered the "Father of the Constitution". Liberation Day (a second Independence Day), occurring one day after National Day, marks the expulsion of Iraqi forces from Kuwait by coalition forces in 1991. The events of 1990 and 1991 may be just stories to the children playing at the Spring Camp, but to most of their older friends and relatives, February 26th brings back the memories of the invasion and the resulting destruction, not the least to KOC property and assets.

As February 26th drew to a close, it was with an air of pride and of gratitude, tinged also with sadness, that the families packed up their belongings and headed back to the city and a year of waiting for next year's celebrations.

The Lights

The Kuwaiti Digest had the opportunity to speak with Senior Engineer – Electrical & Instruments, Shukri Al-Latif, regarding the light project. This was the fourth year on which KOC has lit up the Town of Ahmadi, the Police Station, and the Spring Camp. The project also had an international component as design ideas were procured from around the world, most notably from Germany and China.

Covering the Ahmadi area with thousands of lights was no easy task. Following the design and manufacturing stages, the installation phase took over a month, starting on the 3rd of January and finishing on the 10th of February. The lights this year were used for more than just the National Day and Liberation Day celebrations, however, as the Town of Ahmadi also celebrated its 60th year anniversary during the month of March and held the Ahmadi Sports Day.

Dates

More than Just Dried Fruit

History

Dates have been, and still are, an important part of Middle-Eastern culture. Not only were they a staple food for thousands of years, the parts of the tree served many purposes and had religious significance as well. Mentioned

in the Quran, dates are often a traditional first meal when breaking the fast during the holy month of Ramadan. The plant originated in the region, most likely in the Persian Gulf area, and was already cultivated in ancient Mesopotamia around 4000 BC.

The palm eventually spread to South East Asia, northern Africa, and parts of Europe. Much later, in 1765, it was introduced to Mexico and California by the Spanish.

The date palm

The date plant (*Phoenix dactylifera*) is a palm tree of medium size, which grows on average to 25 meters in height, but can reach up to 80 meters. The crown of leaves ranges from 6 to 10 meters in diameter and each frond is 3-6 meters. The plant thrives in a hot and dry climate, with cultivability occurring in parts of Africa, the Middle East, and parts of the USA. In the Middle East, Algeria, Egypt, Libya, Morocco, and Saudi Arabia produce amongst them 60% of the world's harvest with over 600 different types of dates.

Date palms are dioecious, meaning that one plant will be either male or female. Only the female plant bears the fruit and studies have shown that since seedling plants produce smaller and poorer quality



fruit, commercial fruit tends to be from cuttings. Also, plants that originate from cuttings will normally produce fruit after 4-5 years and will reach full maturity after 10-12 years. Although pollination occurs naturally, commercial production uses manual pollination and needs only one male plant to every 100 female plants.

Each tree can produce up to 120 kilograms of fruit hanging in 5-10 bunches. The fruit does not all ripen at the same time, meaning that several harvests are necessary. As with grapes, the date fruit is thinned at an early stage to allow the remaining fruit to grow larger. Cultivars, which are cultivated plants that have been developed through specific breeding, are common in commercial date farming and are classified as soft, semi-dry, or dry according to the quality of the fruit and the sugar content.

The fruit

The sweet fruit is a drupe, which

has a layer of skin covering a flesh part which surrounds a seed. Date fruit varies widely according to size, color, sweetness, and consistency. When unripe the dates are green, gradually turning to yellow and then to either various shades of red or brown when mature.

The ripening process occurs in four stages: unripe (kimri), crunchy (Khalal), ripe and soft (rutab), and ripe and dry (tamr). Interestingly, although wild dates are similar to the cultivated varieties, they are not edible.

Nutritional value

Dates are about 55% sugar when fresh and the percentage of sugar increases of course as the fruit dries. Primarily eaten fresh or dried, the fruit is also made into syrup, vinegar, wine, chutney, or paste. The sap of the tree is also fermented or converted into palm sugar, the pith made into flour, and the seeds into oil for soaps and cosmetics. The terminal buds, known as heart of

palm, are used as a vegetable, and the flowers are ground with dried fish to make a spread for bread.

Although high in sugar, dates are also a good source of vitamins, fibre, and protein. In particular, they contain large amounts of vitamin C as well as significant amounts of vitamin A and the B vitamins, as well as selenium, lutein, and zeaxanthin. A single date has about 20 -25 calories.

Other Uses

The various parts of the date palm have been used in different cultures as remedies for a variety of ailments, particularly respiratory and genitourinary. The leaves are used to make a range of household items from ropes to baskets to roofing to furniture. Cellulose pulp from the leaf petioles is used for walking sticks, brooms, and fuel, while the wood is used also for fuel and in construction. In addition, ground dates and seeds are incorporated in stockfeed.





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