The Kuwaiti Digest

January - March 2008



New Year Vision & Values

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10 KOC leadership shines in Dubai

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4
First World Energy & Chemicals
Exhibition and Conference



34 Kuwaiti Challenge



18 Wafaa KOC Dive Team

6 OPEC perspective: Oil market outlook

Contents

Letter from the Chairman 2

Letter from the Editor 3

First World Energy & Chemicals Exhibition and Conference 4-5
Who's Who of Heavy Oil tackles the big ones

OPEC perspective: Oil market outlook 6-9
Interview with Dr Hasan M. Qabazard
Director, R&D, OPEC Vienna

IPTC 2007 DUBAI 10-13
KOC leadership shines in Dubai

InDepth 14-16
Interview with Hashim M. Al-Rifaal
Chairman & Managing Director, ODC Kuwait

NAUI Environmental Award 17
KOC brings solution to industry eco-problem

Wafaa Al-Huraibi KOC Dive Team 18-19
Wins Outstanding Enviro Service Award

Diabetes International Day 20-21
It's time to make a difference!

KOC Code of Conduct 22
Taking the Pledge

New KOC spur line largest in Kuwait 23
Tunnels under Mina Al-Ahmadi Road

KOC/WorleyParsons ink contract 24-25
Brings new environment and finance services

Gulf Consult tour-de-force 26-27
New KOC offices to open in Ahmadi

Ahmad Al-Jaber Oil & Gas Exhibition 28-30
New KOC display center to open in 2010

Central Workshop: Behind-the-scenes 31-33
Where everything counts

BP Challenge Program Alaska 34-35
Ali Husain takes on the challenge

eBEAMS launches B2B concept 36-37
Streamlines KOC processes

Performance-based compensation 38-39
Customer service is the key

SPE/IADC geosteering presentation 40
Meets with success in Cairo

Twenty20 cricket draws huge crowd 41
KOC Ahmadi cricket grounds world-class

Canada-Arab Business Council 42
Paves the way through dialogue

Canadian Commercial Circle plays host 43

Beat influenza before it starts 44

Knee replacement: state-of-the-art 45
Brings relief to dozens of Ahmadi patients

'You Can Make a Difference' goes regional 46
Eco-event makes splash at Abu-Halifa beach

Oil Companies International Marine Forum (OCIMF) meets 47
Focus on safety & quality standards

Clean Production top priority 48-49
Health & Environment tackles oil lakes

Cover: Five elements of the Code of Conduct

Letter from the Chairman



Sami Fahed Al-Rushaid
Chairman and Managing Director

For the Kuwait Oil Company 2007 has been a challenging year. And with the dawn of yet another new year comes the onset of new beginnings, new administration, new management, new ideas and projects to look forward to. We are proud to announce that Sami Fahed Al-Rushaid, new Chairman & Managing Director of the Kuwait Oil Company, has taken up his new position at the helm of Kuwait's only energy producer. Everyone at KOC will stand with him as he steers the company to greater heights in the coming year.

A 30-year oil industry veteran, Sami Fahed Al-Rushaid admits that the breadth of the issues he faces are challenging in his first 90 days as the new chief. But, as KOC Chairman & Managing Director, Al-Rushaid expresses paramount confidence in the company's ability to tackle the next level of challenges especially heavy oil & gas developments. As Kuwait's largest oil producer, KOC continues to position itself as a strategic, innovative and collaborative international company.

Trained as an industrial engineer in the United States in the late 1970s, Al-Rushaid's career has focused on the growth and development of a sister company, the Kuwait National Petroleum Company, where he took over this key role in September 2004.

Al-Rushaid cites three main reasons for his continued optimism in the oil business: first and foremost, KOC core values and the continued commitment of the company's 5,640 employees and more than 25,000 contractors in the State of Kuwait; secondly, the help of external IOC experts and technology leaders such as BP, Daelim, WorleyParsons, Total & Halliburton and Schlumberger, for example; and thirdly, its strong fundamentals – its strategic KOC 2020 Strategy and the significant hydrocarbon- and now gas energy resources in North Kuwait.

It is with great pleasure that the Kuwaiti Digest takes this opportunity to welcome Sami Fahed Al-Rushaid, KOC Chairman & Managing Director to the KOC family.



Khaled Madhi Al-Khamees
Deputy Managing Director
Administration and Finance

With the new leadership come blessings, the promise of new vision and new values as we welcome the New Year 2008.

2008 promises to be filled with new insights: The promise of new oil & gas exploration in North Kuwait itself, heavy oil production is already in plan, major new endeavors including the launch of the company-wide eBEAMS system and of course, several new and important architectural features that will leave a lasting legacy.

Moreover, in service to one of our most important assets, our employees, three new buildings will open wide their doors to the new KOC office complex while at the highway entrance to Ahmadi itself, the sod will officially turned to mark the construction of the world-class Ahmad al-Jaber Oil & Gas Exhibition and 'Edutainment' center, due to open in only two years time. Let's look forward to spring and celebration.

Along with the New Year's insights comes the new Code of Conduct guide. The burden of implementing the Code of Conduct lies over our shoulders. Therefore, our main task now, as KOC employees, is to make certain that the code is fully translated through carrying out our daily works in a way that is compatible with those standards and values.

Who's Who of Heavy Oil tackles the big questions

Kuwait's First World Energy & Chemicals Exhibition and Conference

22-25 October, 2007



Existing conventional oil reserves are straining to meet ever-increasing global demand, and new conventional reservoirs are increasingly difficult to find. As a result, major oil producing companies worldwide including the KOC continue to look for novel and challenging ways to meet future energy demands. The symposium itself titled "Heavy Oil: Meeting the World Energy Demand" addressed challenges in producing and processing heavy oil in Kuwait to meet the demand of the market and achieve the goals of the KOC's 2020 Strategy.

"Kuwait, which sits on about 10 percent of global oil reserves, is aiming to produce 50,000 bopd of heavy oil by 2011, 250,000 bopd by 2015 and 900,000 bopd by 2020 (700,000 bopd from NK) as part of its strategic 2020 production targets", Khalid Al-Sumaiti, DMD of KOC's Expl. & Prod. Dev. told an oil conference held at Kuwait International Fairgrounds in Mishref. "This is a tight schedule but we will work hard to reach this goal," Al-Sumaiti concluded as a key note speaker on the opening day. Other KOC delegates included Badria Farhad, KOC Manager, Heavy Oil Development North Kuwait, who participated as session chairperson as well as Tirtharenu Sanyal, Senior Specialist.

Exxon Mobil was represented by Richard Vierbuchen, Vice President for the Caspian Sea and the Middle East while Shell Oil was represented by two keynote speakers, Dr. John Barry, Vice-President Unconventional and EOR and Dr. Zena Khatib, Manager for Technology Deployment





in the Middle East. Both Barry and Khatib used this first-of-its-kind conference and exhibition, to discuss various approaches that Shell has undertaken to tackle world energy challenges. Acting Kuwaiti Minister of Oil, Mohammed Al-Olaim and other dignitaries opened the event formally. During this symposium, a panel session took place to discuss the prospect of Smart production and investments for economics, reserves estimates plus existing and future technologies for the oil industry.

Hashim M. Al-Rifaai, Chairman & Managing Director, Oil Development Company (ODC), talked briefly about the impact that Kuwait's first World Energy & Chemicals Exhibition & Conference had on Kuwait's oil industry.

"I think it came at the right time," Al-Rifaai explains, "because KOC is just embarking on a very ambitious program to produce 900,000 barrels of heavy oil by 2020—700,000 of which will come from the North Kuwait Project alone. Heavy oil, and even gas, are different industries and businesses than what we are used to."

"KOC stands at the dawn of something completely different," he says. "The effort to get an equivalent barrel of heavy oil [compared to what KOC is used to] is much greater. It's more difficult in marketing and upgrading and it's also more difficult in that you cannot just produce it, put it in the tank farm, and wait for the tankers to take it away. Instead, you actually need an integrated value-chain, a refinery and buyer plus a continual flow of oil."



"No longer can it be contained," says Al-Rifaai, "solely within KPC's realm—you need the Ministry of Electricity &Water to produce huge amounts of distilled water to produce steam to get heavy viscous oil out of the ground to make it more mobile."

"Moreover," Al-Rifaai cautioned, "some EOR methods employed in other parts of the world, if used in Kuwait, may not be suitable for Kuwait's reservoirs and may permanently damage the reservoir. The proper sequence for reservoir development using different methods also needs to be followed; otherwise recovery cannot be improved."



KOC participants

"Next year's targets are 5,000-6,000 barrels," concludes Al-Rifaai, "so we had the Who's Who of Heavy Oil come to Kuwait. Unselfishly, they revealed state-of-the-art developments, a treasure trove of diverse international experiences in different geologies with different results and with long-term planning. This rang important bells for us that, in certain specific areas, we need to be much more careful in our approach. Panelists were an asset, and we got far more than we expected."



Acting Kuwaiti Minister of Oil Mohammed Al-Olaim opening the event

OIL Market Outlook

An OPEC perspective

The Kuwaiti Digest, had the privilege of meeting with Dr. Hasan M. Qabazard, Director, R&D, OPEC, Vienna, Austria at Kuwait's first World Energy & Chemicals Exhibition & Conference on 22-25, October 2007. OPEC's mission is to coordinate and unify the petroleum policies of its Member Countries, and ensure the stabilization of oil markets. It seeks to secure an efficient, economic and regular supply of petroleum to world markets, a steady income to producers, and a fair return on capital to investors in the petroleum industry.



The Kuwaiti Digest: "We are delighted to interview you today regarding your keynote address on the global oil outlook and the upstream challenges facing the industry, and where heavy oil fits in the overall picture. You began your opening address on the subject of volatility in a constantly evolving energy landscape. "Volatility and upward pressure on prices that took the industry by surprise in spring 2004," you remarked, "remain with us today, even though the causes and effects continue to fluctuate." Can you explain this in more detail for our readers?

Dr. Hasan M. Qabazard: "Crude oil prices have reached record levels again this year, although in nominal terms only. Real prices are still below those of the early 80s, taking into account exchange rates and inflation. The continuing devaluation of the US dollar against other leading currencies has significantly reduced the purchasing power of our Member Countries' oil revenue outside the US and this, of course, is a matter of some concern."

"Recent factors include geopolitics, potential storms in the Gulf of Mexico, increased speculation with high interest volumes in the crude futures market, fluctuations in the US dollar, and perceived 'tightness' in the product market this last quarter. Admittedly, price fluctuations—reaching more than $2 in one session—remain with large inflows of fund investment into the commodities' market."

Analysts around the world agree that energy demand will continue growing for the foreseeable future, and that oil will maintain its leading position in meeting the world's expanding energy needs. What do you see as the longer-term outlook gained from OPEC's scenario-building for developed and still developing countries? Will energy consumption be equal across the globe?

Dr. Hasan M. Qabazard: "OECD countries currently account for close to 60 percent of world oil demand; they see further growth of 4 mb/d by 2030, reaching 53 mb/d. In general, developing countries account for most of the rise with consumption doubling to 58 mb/d.

OPEC Member Countries are also investing heavily in refining and delivery infrastructure, such as pipelines, storage facilities and terminals domestically and abroad. Major crude distillation refinery projects in OPEC Member Countries are expected to add over 3 mb/d of additional capacity by 2012, representing an investment of close to $50 billion.

Asian developing countries will have an increase of 20 mb/d, which represents more than two-thirds of the growth in the entire developing world. Nevertheless, energy poverty will remain an important issue over this period. By 2030, developing countries will consume, on average, approximately five times less oil per person compared with OECD countries."

Let's focus for a moment on transportation issues, car owners and the petrol (gas) they buy?

Dr. Hasan M. Qabazard: "Transportation will be the main source of future oil demand. Growth in the OECD is expected to continue rising, although there will come a time when the number of cars people own reaches a saturation point."



Dr. Hasan M. Qabazard
Director, R&D, OPEC Vienna

"Two-thirds of the world's population currently lives in countries with less than one car for every 20 people. Demand for cars, buses and trucks will grow far faster in these developing countries. In fact, 700 million cars in 2005 will rise to 1.2 billion by 2030, and commercial vehicles are anticipated to more than double."

Do we have enough oil or are we running out? In the end, is it about availability or deliverability?

Dr. Hasan M. Qabazard: "Oil resources worldwide are sufficient to meet demands. Improved technology, successful exploration and enhanced recovery from existing fields have increased the world's resource base to new heights considered unimaginable in the past. On top of this, there is a vast resource base of non-conventional oil. Technology blurs the distinction between conventional and non-conventional oil; in fact, 40 years ago none of the world's offshore oil was classified as conventional. It was not economically viable, now, of course, the situation is very different. Offshore oil has been re-categorized. All in all, with so much oil around, the issue is not one of availability. Instead, it is one of deliverability."

While there is a substantial spread of known heavy oil basins around the world, many of them in OPEC Member Countries, more than half of the technically recoverable heavy oil will probably come from North America where I come from. Can you explain in more detail?

Dr. Hasan M. Qabazard: "In the wider world, huge volumes of heavy oil and natural bitumen resources are widespread. Major occurrences include the heavy and extra heavy oils of Venezuela and the natural tars of Canadian oil sands. Future production here will shift increasingly to in situ recovery techniques, testing solvents, such as butane or propane, to increase recovery rates and lower the volume of gas required to produce a barrel of oil. Promising new technologies such as steam-assisted gravity drainage (SAGD), vapor extraction process (VAPEX) are being tested, both to get oil to the surface and then to upgrade it.

World economic growth average is expected to be 5.1 percent this year moderating to 4.9 percent in 2008. However, in light of the recent sub-prime mortgage turmoil in the US, downside risks have increased considerably, and it is still too early to gauge the extent of the emerging fallout on the oil sector.

The volumes of these total resources are nearly 6 trillion barrels. Of these resources, 1,100 bn b are seen as recoverable with today's technology, in addition to existing conventional proven oil reserves of around 1,200 bn b — although, of course, the recovery challenges differ.

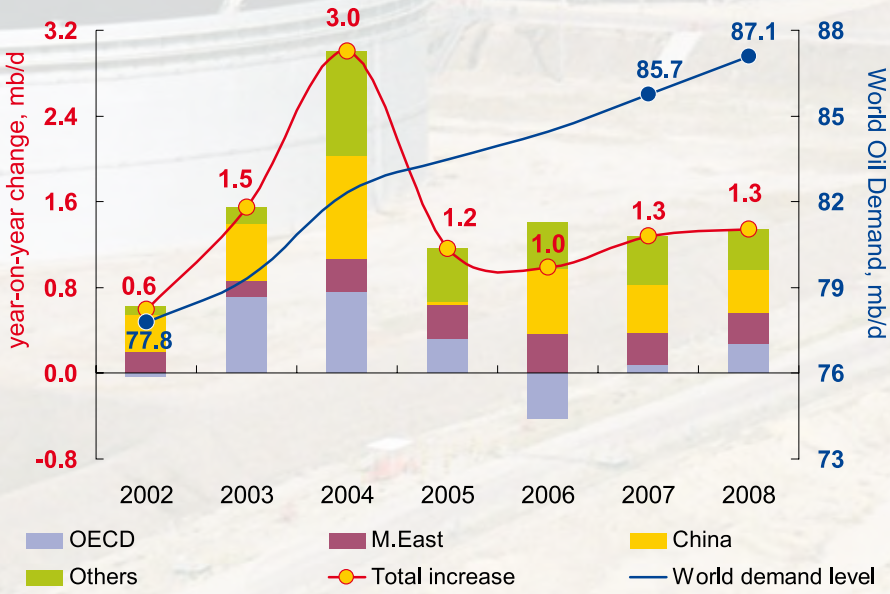
Elsewhere in OPEC, I believe work has just started on a major steam-injection project at the Wafra heavy oilfield in the neutral zone between Kuwait and Saudi Arabia. More recently, an agreement was signed in Kuwait to develop heavy oil reserves in the Lower Fars formation in northern Kuwait.

All in all, the industry is faced with many challenges in realizing the full potential of this energy source. These challenges cover such areas as the capital-intensiveness of the industry, cost-overruns, labor shortages, limited technology, tighter fiscal regimes in Canada, and environmental issues."

Let's turn to infrastructure investment discussions, which are going to be substantial over the next 20 years.

Dr. Hasan M. Qabazard: "There is a need for substantial investment along the entire supply chain. Expansion

- **DCs oil demand growth together with China continue to stand above 1mb/d**



of non-OPEC capacity is two-to-three times more costly than in OPEC—with an ever-widening gap. The highest-cost region is the OECD with the largest decline rates. Up to 2030, total world upstream investment requirements, from 2006 onwards, amount to $2.4 trillion (in 2006 US dollars). Moreover, these estimates do not include infrastructure investment.

Expected increase in demand for oil products translates into a rising volume of crude that needs refining. Therefore, it is essential to focus on the downstream sector because this is also a key part of the supply chain and, ultimately, of market stability. In addition to rising demand, there is a need for lighter cleaner products. To meet this demand, the downstream sector will require significant investment to ensure that sufficient distillation capacity is in place, supported by adequate conversion, desulphurization and all the other secondary processes and facilities."

KOC needs to attract the world's best petroleum engineers. In this discussion about heavy oil, what part does HR play in this scenario?

Dr. Hasan M. Qabazard: "Since 2003, upstream costs have increased by 50 per cent with rig rates and steel costing significantly more. In HR, the industry is experiencing a shortage of skilled labor in construction and operations and wages have increased—during 2005 alone wages increased by about 15 per cent. Student enrollment in petroleum and chemical engineering has declined significantly since the mid-1980s. Efforts should be made to help facilitate education and training in energy disciplines, and make them more attractive.

Developing, deploying and transferring cleaner fossil fuel technology is a must— this includes the existing technology of carbon capture and storage. Developed countries, bearing the historical responsibility, and with the means at their disposal, should take the lead.

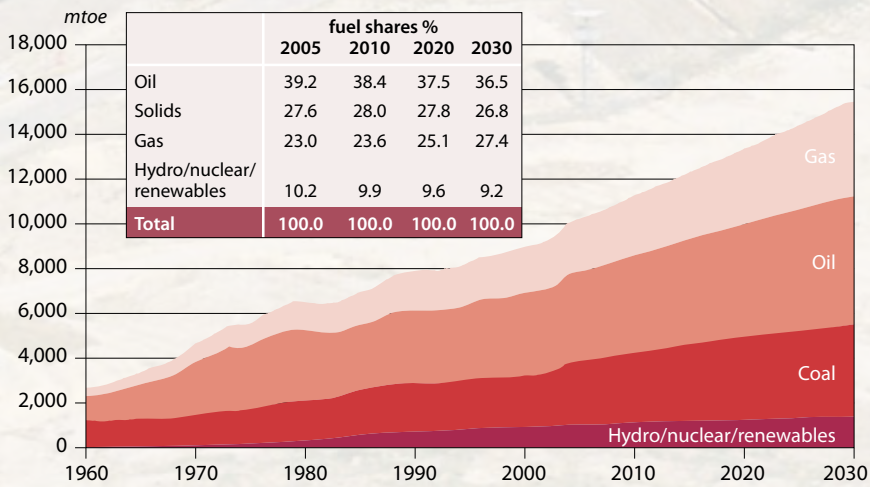
All this should be placed in the context of sustainable development (as embraced by the United Nations), namely economic growth, social development and the protection of the environment. The overriding global priority is the eradication of poverty, facilitated by improved access to modern energy services."

In closing, you have provided an overview for the international oil market over the next 25 years, with the principal emphasis on upstream. You focused first on the last three years, then future insights into how the industry might develop and perform—emphasizing OPEC's perspective on heavy oil in line with the main theme of this conference.

Dr. Hasan M. Qabazard: "Thankfully, big advances have taken place in dialogue and cooperation since the late 20th century, which OPEC has actively encouraged to benefit us all. The challenges facing the industry are vast and diverse if it is to provide steady secure supplies of oil now and in the future, at acceptable prices to consumers and fair returns to producers and investors. At the same time, the crucial and broader interests concerning sustainable development and environmental protection must be met.

The welfare of the oil industry is the responsibility OPEC and non-OPEC, producers and consumers, national and international companies, financial institutions and so on who must all rise to the challenges facing us. The stakes are very high for the wider industry and for the world economy and the energy mix."

- **Fossil fuels >90% of commercial energy needs**
- **Oil continues to have greatest share, fast growth in natural gas**
- **Low base for renewables - limited impact on mix**



	fuel shares %			
	2005	2010	2020	2030
Oil	39.2	38.4	37.5	36.5
Solids	27.6	28.0	27.8	26.8
Gas	23.0	23.6	25.1	27.4
Hydro/nuclear/ renewables	10.2	9.9	9.6	9.2
Total	100.0	100.0	100.0	100.0

Dr. Hasan M. Qabazard gave a 30-minute keynote address 'Heavy Oil: Meeting the World's Energy Demand' to the Kuwait World Conference on Energy & Chemicals at the Kuwait Fair Grounds Kuwait, 22–25 October, 2007. The Organization of the Petroleum Exporting Countries (OPEC) is a permanent intergovernmental organization, created at the Baghdad Conference on 10-14 September, 1960 by Kuwait, Iran, Iraq, Saudi Arabia, and Venezuela. The 5 Founding Members were later joined by 9 other member countries including Qatar (1961), Indonesia (1962), Socialist Peoples Libyan Arab Jamahiriya (1962), United Arab Emirates (1967), Algeria (1969), Nigeria (1971), Ecuador (1973–1992), Gabon (1975–1994), and Angola (2007). Source: http://www.opec.org

International Petroleum Technology Conference (IPTC)

By **Abdul Rahman Al-Shammari**
Team Leader Information

Fahad Ebrahim
Multimedia Officer

Themed "A Changing World – Interdependence, Innovation, and Implementation", the International Petroleum Technology Conference (IPTC) kicked off on December 4 under the patronage of the UAE Vice President, Prime Minister, and Ruler of Dubai H.H. Sheikh Mohammed bin Rashid Al Maktoum. The technical conference drew the participation of over 3,000 delegates representing oil industry companies, educational institutes, and other interested organizations from around the world.

The opening session was started with a recitation of the Holy Quran, followed by speeches by IPTC Executive Committee Co-Chairpersons: the Chairman and Managing Director of Kuwait National Petroleum Company Farouk Al Zanki and BP Group Chief Executive Tony Hayward.

In his speech, Al Zanki expressed gratitude and appreciation to those who traveled great distances to attend the conference, and expressed appreciation for Sheikh Mohammad for patronizing the event and for the UAE Minister of the Government Sector Development Sultan bin Saeed Al Mansori, who cut the exhibition's ribbon. He also thanked all organizers, participants, and sponsors for their efforts in bringing this conference into success.

"IPTC is a collaborative effort by four leading professional societies to provide the most comprehensive and integrated opportunity for exchanging ideas and expertise, and promoting additional technical research", said Al Zanki. "Here, industry leaders and governmental representatives can come together to discuss their views on timely industry topics and trends", he added.

He described the conference as "timely", nothing that "for the past several years, worldwide production of oil and gas has exceeded the addition of new reserves. With global energy demand forecast to increase dramatically over the next decades, the public perception is that the world is running out of oil".

"Given the meteoric rise of demand from countries such as China and India, these are challenging times for the energy industry. "Increasing supply requires that we break out from conventional oil fields, and instead find innovative techniques to obtain the maximum resources from as diverse sources as possible", Al Zanki added.

IPTC Conference Programme Co-Chairperson and KOC Deputy Managing Director (NK) Hosnia Hashim in a speech welcomed all attendees and participants to the conference, and gave a quick preview of the conference programs and activities.





KOC C&MD Sami Fahed Al-Rushaid addressing audience during the Awards Banquet



UAE Minister of the Government Sector Development Sultan bin Saeed Al Mansori cutting the IPTC Exhibition's ribbon



KOC C&MD Sami Al-Rushaid and KNPC C&MD Farouk Al-Zanki in a group photo with KOC delegation at the display

Hashim described the conference as an "event that upholds the tradition of technical excellence established by the four sponsoring societies, provides great opportunities to discuss issues of high importance to the oil industry, and provides unmatched opportunities to learn from regional ministers and international executives while networking with industry professionals from around the world."

"Energy Issues for a Changing World"

Following the opening ceremony, the conference commenced its activities with a keynote session titled "Energy Issues for a Changing World", held with the participation of Qatari Minister of State for Energy affairs and top officials from Arab and international oil companies and organizations.

IPTC's agenda was packed with over 300 discussion sessions and presentations touching on a variety of topics directly related to the oil industry. Such topics include exploration, reservoirs, production, midstream gas, health, safety, and the environment.

KOC is participated with over 16 papers in 14 different discussion sessions with topics on reservoirs, stratigraphy, fluid management, gas projects, emission reduction, geoscience studies, difficult/ unconventional case studies, environmental technologies, deep exploration, steam flooding/heavy oil, and artificial lifting.

KOC has also co-chaired a number of discussion sessions and participated with multiple posters covering a variety of topics and issues related to geology and the oil industry. The display also offered quick presentations about the KOC 2020 Strategy, Research and Technology, Heavy Oil Development, and Training and Development.

The night of the opening day witnessed a unique event. The two hours IPTC Awards Banquet, sponsored by KOC, was held to honor five winning projects executed by Arab and international oil companies, among which was Saudi Aramco. Al Zanki and Hayward also received rewards for their efforts as part of the IPTC organizing committees.

On this occasion, KOC Chairman and Managing Director Sami Fahed Al Rushaid said in a speech "KOC is proud to sponsor this banquet, where we will present the IPTC "Excellence in Project Integration" awards. The awards recognize five project teams that have achieved excellence in managing and directing an integrated oil or gas project from discovery to deliver."



DMD North Kuwait Hosnia Hashim addressing audience during the IPTC Opening ceremony





HSE Senior Specialist Dr. Fatima Al-Abdali receiving award from IPTC Executive Committee Co-Chairperson Dr. Tony Hayward

"These awards reflect the major focus of this conference – integration. The conference also integrates an international perspective with a regional focus, and brings together strong industry and professional society support."

The award ceremony was followed by dinner and live performance by the Kuwait Television Band, filling the atmosphere of the night with ancient Kuwaiti folklore songs and dances using traditional musical instruments, stomps, and hands clapping.

The IPTC also hosted an "Education Week", in which 80 best science and engineering students representing 40 institutions in 27 countries have participated. The program's purpose was to give students a clear insight into the petroleum industry, work together on a joint technical project, and provide opportunities for students to form new friendships and extend their network.

"The Green Success"

A special session of its type was held for the first time in the history of the IPTC and was dedicated for the environment. It included two presentations, one of them titled "The Green Success: The Case of the Spirit of the Desert in KOC Fields" by KOC Senior Specialist Health, Safety Environment (HSE) Dr. Fatima Al Abdali.

In an interview, Al Abdali said her presentation touched on the strategic dimensions of the Spirit of the Desert project and how it is related to the global climate change. It also focused on the KOC Sustainable Environmental Economical Development (SEED) strategy, a long-term project to rehabilitate polluted and damaged lands and reduce the effects of desertification.

"Human is the main cause for environmental damage, while the main factor affecting green surfaces in the desert and increasing the percentage of unstable soil is human movement on soil itself", said Al Abdali, noting that following the Iraqi invasion of Kuwait in 1990, the upper layer of soil containing all nutrition was severely damaged especially around oil fields, while areas not affected by human movement flourish with greeneries after rain, which proves the existence of natural resources in this soil waiting to be utilized properly.

About the Spirit of the Desert, Al-Abdali said "the project is a trial for the possibility of rehabilitating the desert," considering it a "Kuwaiti fingerprint on the UN conventions on climate change, biological change, and desertification".

On desertification, Al Abdali said according to UN conventions, the regions affected most by desertification are in Africa and Asia, noting that countries affected by this phenomenon suffer annual losses exceeding USD 21 billion.

On futuristic projects, Al-Abdali said there is a project called "Ecco Wara" to rehabilitate the environmentally-damaged Wara Hill area in southern Kuwait, while another project aims at installing windmills to supply the Spirit of the Desert and Ecco Wara projects with electric power, in addition to current and future projects for the desalination of water evaporation pits, treatment of contaminated soil, and air purification.

Gas flaring reduction

Another participant, **Team Leader Gas Operations Adnan Al Adwani** said he presented a paper on the KOC past, current, and future strategies to reduce gas flaring to 1 percent and below.

Al Adwani said KOC has been working on achieving this target for years and there are major developments in the field of gas flaring reduction, noting that KOC has been upgrading its facilities and executing projects to reach the lowest possible level of gas flaring.

"Projects in this field include establishing new booster stations and low-pressure gas processing units, in addition to establishing units for processing H2S-rich gas to benefit from it", Al Adwani added.

Poster Participants

Among KOC poster participants was **Senior Reservoir Engineer, Field Development (WK) Eissa Al Maraghi**, who presented a poster on an integrated study conducted to build a reservoir management tool to evaluate the feasibility of enhancing the production and maintaining the plateau rate long for the Umm Gudair field, a large carbonate reservoir located in southern Kuwait.

Another poster presented by **Senior Reservoir Engineer, Gas (NK) Qasem Dashti** discusses the process of candidate well selection, design, execution and evaluation that lead to the successful implementation of acid fracturing treatment in Marrat formation in Greater Burgan Field, southern Kuwait, a deep carbonate reservoir with high asphaltene content.

A joint poster was presented by **Senior Process Engineer, Production Operation (WK) Mohammad Al Anzi and BP HSE Advisor Cyrus Rezaei** with the objective of highlighting the progress of Integrity Management initiatives at KOC. The Integrity Management was initiated with a purpose of improving the falling asset integrity due to aging of assets & huge expansion planned.

A paper and a poster as well were presented by **Senior Petroleum Engineer, Water Handling Team (S&EK) Hamad Al Ajmi**. In his paper, Al Ajmi discusses effluent water disposal experiences in the Greater Burgan Field of Kuwait and the KOC mandate to achieve the target of subsurface disposal of all produced water with zero discharge to the environment by re-injecting water in reservoirs to maintain desired pressure and disposing water into selected non-producing reservoirs.

On the importance of the conference, **IPTC Conference Programme Co-Chairman and Exploration Manager of BP Egypt Samir Abdelmoaty** said the IPTC is sponsored by four societies: Society of Petroleum Engineers, American Association of Petroleum Geologists, Society of Exploration Geophysicists, and the European Association of Geoscientists & Engineers, which reflects the type and size of efforts made to bring this conference into success.

Bringing Major Oil Companies together

"The KOC participation in this conference exceeded all expectations", said Abdelmoaty, praising the great support of KOC for the conference through the participation of **Al Zanki C&MD of KNPC** and top KOC officials in the organizing committees and the events, and selecting the participating work papers, presenters, and sponsors, in addition to participating in the exhibition and sponsoring the Awards Banquet.

"I'm very impressed by the Spirit of the Desert project, which was a real life experience on how to rehabilitate the desert environment, not just a theory on paper" said Abdelmoaty, noting that "Dr. Al Abdali caught the attention of all attendees throughout the presentation."

Team Leader Production Operations (West Kuwait) Ali Al Kandari hailed the participation of KOC in the conference, noting that the presence of KOC side-by-side with reputable and professional oil companies and the active participation in discussion sessions give a good impression about KOC and its continuous efforts to remain among the top international oil companies.

Meanwhile, **IPTC Production Subcommittee Co-Chairman and Vice President and Managing Director of Advantek International Corp. in the Middle East Ibrahim Abou-Sayed** said the conference brings together all oil companies from around the world, allowing a great opportunity to exchange expertise and technologies.

On his participation, Abou-Sayed said he is the co-author of a paper about completion and stimulation of carbonate reservoir in the Middle East, which discusses the new technologies and strategies developed to complete the largest gas reservoirs in the Middle East, located in northern Qatar.

The conference concluded on December 6 after discussing a wide range of technical issues concerned with maximizing sustainable energy production, meeting increasing demands for energy, and the future of the oil industry.

IPTC Executive Manager and Executive Director of the Society of Petroleum Engineers Mark Rubin declared the IPTC 2007 an overwhelming success.

"Not only was this the largest edition of IPTC to date, with over 3,000 participants from across the globe, but the sheer breadth of excellent presentations and debates reveal an industry driven by remarkable innovation and social engagement", said Rubin.

The next IPTC will take place from 3-5 December 2008 in Kuala Lumpur, Malaysia.

InDEPTH INTERVIEW WITH HASHIM M. AL-RIFAAI

The Kuwaiti Digest had the pleasure of interviewing Chairman & Managing Director of Oil Development Company Mr. Hashim M. Al-Rifaai.

This interview began with this comment "Mr. Al-Rifaai, you wear two hats so to speak, and so, with your permission, we would like to begin our conversation by focusing first on ODC itself then turn our attention to KPC's Research & Development."

Hashim M. Al-Rifaai: ODC is a unique company, a new initiative by the oil sector, and a unique experience. It is not a typical operating company: it is a hybrid-partly operational and partly regulatory-a model which has not been tested in Kuwait, yet.

ODC was formed, not only, to manage the relationships with the international oil companies in all of Kuwait's fields, but also, more particularly in the northern oil fields where we are formulating a new contractual framework unique to the oil industry. The industry is used to production sharing and concession agreements, or workforce/service agreements but not risked service agreements, which fits Kuwait's constitutional requirements and business objectives.

Can you describe what makes ODC different?

Hashim M. Al-Rifaai: ODC is unique in many ways—this is biggest strategic project in Kuwait's history. Secondly, ODC's Board is made up of Chairmen or their equivalents (rather than Managers and DMDs). Previous ODC Board members included KOC former Chairman & Managing Director, Farouk Al-Zanki as well as the former PIC Chairman & Managing Director, who is now the KPC CEO, the Assistant Undersecretary of the Ministry of Oil and the Director General of KISR are onboard. ODC also has played a unique role in capturing and disseminating knowledge and technologies that it has gained from working with International Oil Companies (IOC) in the wider oil industry within Kuwait.

What can IOCs bring to the North Kuwait Project?

Hashim M. Al-Rifaai: We can buy technology from the open market



Hashim M. Al-Rifaai
Chairman and Managing Director
Oil Development Company

but we cannot buy proprietary information, technology or systems. IOC's bring with them proven systems, discipline, research, training opportunities, talent, and management–moving managers into world executive positions. Our operations are domestic rather than international; to have a manager in the Kuwait upstream oil sector, who is truly an international manager is something that we don't have—the cross-posting of their people within our organization and vice versa will enable the fulfillment of such a need.

Training is so crucial. I was just thinking of BP's Tony Hayward, the new BP Chairman, and how he was groomed as 'turtle', an up-and-coming leader in the company. Do you have any comments on training?

Hashim M. Al-Rifaai: In 1992, when we first signed with BP, I was fortunate to experience conceiving an agreement - it was my first introduction to the world of IOCs. When we visited them, we learned a lot about who was chosen as a potential candidate for higher executive positions and how they groomed them, and even watched how they assumed their positions very capably. In fact, this was one of the reasons that KOC leadership contemplated other forms of organizational structures such as transitioning KOC's functional organization towards an Asset concept.

Language and the way you use it is also crucial. Tell us more about the language shift that went on at KOC, which directly reflects a different way of running a company.

Hashim M. Al-Rifaai: The word 'business' was never part of KOC's pre-liberation lexicon, for example; instead, we used the word 'operations'. We used the language and the concept of 'annual budgets' but rarely used the word 'strategy'. Instead, we used the phrase 'long-term planning'.

Scenario planning, risk management, integration of business aspects, transition into Assets, integration of IT islands of networks & systems into a cohesive, enterprise suite of applications as well as extensive systems engineering, obtaining ISO certification, and eventually converting KOC into a profit center are all new concepts and challenges we faced – and, of course, all very interesting.

"There is no blueprint or road map for ODC but there is a vision driven by a real need within the Kuwaiti oil sector as well as a challenge to find a new way of working."

HR is also important. Can you focus for a moment on how it worked in the IOCs?

Hashim M. Al-Rifaai: One unique aspect is the strategic role that HR professionals play in these companies—ROI in their training is high. Not only, do they conduct routine functions as an HR department does such as recruitment, advertising, training and counseling, for example, but also they play a more strategic role in integrating business needs with individual development needs. Not only, do they ensure that their personnel take relevant training courses, but also, monitor that people implement these courses on-the-job in a short time frame.

Let's now turn our conversation to KPC Research & Development and exciting aspects of its strategy.

Hashim M. Al-Rifaai: In 2006, the KPC Board approved a program vision and investment guidelines to establish the New Energy Technology (NET) Investment Program—it was agreed that this vision should be promoted through an active investment policy. This program, under the supervision of the DMD Research and Technology, ensures that KPC promotes the development of new technologies, which will maintain oil's long-term competitive advantage. In other words, it makes oil a more efficient and environmentally-friendly energy source.

Later in 2006, the KPC Board authorized its CEO to form and appoint a steering committee to oversee the implementation of the NET investment program. He was authorized to establish a holding company, known as KPC Energy Ventures Inc. (KPC EVI) as the investment vehicle for the NET investment program. KPC EVI is an offshore Cayman- based entity, 100 percent wholly owned by KPC, and will be used to carry out KPC NET investments in a tax-efficient manner. Following KPC's CEO decision on 1 May 2006, KPC contributed to KPC EVI with the total approved investment amount of US$100 m.

In July 2007, KPC EVI signed an agreement with MIT (Massachusetts Institute of Technology) to participate in its Industrial Liaison Program (ILP), and an action plan was developed and agreed upon

by both parties for 2008/9 financial year. MIT's Industrial Liaison Officer (ILO) has actively introduced KPC NET to some of the leading professors in the field of advanced engines and storage devices in the last quarter.

ILP was established in 1948 - making MIT the first academic institution with a formal program designed to nurture university/ industry collaboration. ILP continues to connect member companies with MIT's latest research developments and to help industry support MIT's research and educational activities.

ILP offers companies streamlined access to MIT's intellectual capital, providing a customized program tailor-made to address each company's specific business needs. An ILO is appointed for each corporate relationship to help connect people and programs together that enable a company to stay abreast of new technology developments; gain insight into a variety of issues related to core business units; learn about and exploit new opportunities; anticipate changes in the marketplace; and sustain growth and profitability.

In July 2007, an agreement with Imperial Innovation was signed to provide KPC EVI with early-stage investment opportunities and so far KPC NET has reviewed some potential angel investment opportunities. Imperial Innovations combine technological transfer, company incubation, and early-stage venture capital. It is a pipeline of intellectual property, related to research at Imperial College, and sources complementary ideas from other UK and overseas partners. It has a team of over 40 people with skills across a range of activities and, in the last year, it identified 284 new inventions, which resulted in 61 patents, creating 10 new companies.



These are some of the areas where we are trying to make a difference in the world and leave a legacy. It is not about consuming and producing but rather it is about creating knowledge and fostering new technologies.

I am proud of being part of this business. It's not the 'dirty business' that young graduates view but rather it is the business that brings light to someone who has none. It is the business that brings energy to billions of people. It is the business that brings hope to billions of people who have no access to water, electricity or hygiene. These people deserve access to energy that will transform their day-to-day lives. We provide the energy to light a bulb which provides enough luminescence to read books at night, enough electricity for a fridge to properly store medication, and enough electricity to charge one cell phone that can improve commerce four-to-seven fold as is the case in some parts of Africa.

Dubai's name has skyrocketed as the recognized regional leader in innovation. What is happening in Kuwait in this area?

Hashim M. Al-Refai: In January 2007, His Highness the Amir of Kuwait put together a 9-member Blue Ribbon committee to look at the entire research, development, and innovation governance framework for Kuwait. I was honored to be invited to the committee. The team worked intensively for eight months. We uncovered a lot of gaps and opportunities.

The final report revealed the true state of R&D and innovation in the State of Kuwait. We compared our position with the wider region and world. Goals for the next 10, 20 and 30 years were specified. We suggested where we need to focus and what needs less of our attention. We also suggested appropriate levels of funding and mechanisms to ensure that such funds are disseminated on a competitive basis.

The report gave transformational alternatives, timeframes and budgets linked to the economy.

NAUI ENVIRONMENTAL AWARD

KOC brings a solution to an industry eco-problem



By **Khaled Al-Failakawi**
Chief Multimedia Officer

Environmental awards such as NAUI's Environmental Enrichment Award continue apace following the recent award of the Nobel Peace Prize to former U.S. Vice-President, Albert Arnold Gore and the U.N. Intergovernmental Panel on Climate Change (IPCC) to bring environmental issues centre stage in global affairs.

KOC Dive Team was presented with NAUI's award during the NAUI annual General Membership meeting and awards ceremony at the Rosen Center Hotel, Orlando, Florida on 31 October, 2007. KOC delegates included Mohammad Al-Fodair, Manager, HSE, delegation head, Ismael Al-Khawari, Team Leader, Building Maintenance, KOC Dive Team head, Waffa Al-Huraibi, Officer, Community Services and Fayez Al-Mathkour, Senior Engineer, Building Maintenance.

Keith Sliman, NAUI Board Member, who recalls his visit to Kuwait and the KOC: "What was so exciting and proactive about the KOC Dive Team was that they spearheaded a solution within their own industry. I have seen reef colonies before, but in every case, that I was aware of, people spearheaded a project to help overcome an environmental problem caused by an oil company rather than an oil company tackling the solution."

Keith Sliman, NAUI Board Member

KOC leads the way with eco-solutions

"Furthermore, KOC was providing leadership for an issue that they did not create," says Sliman. "I think KOC did it because it was the right thing to do and they set the standards for the rest of the world. From NAUI's perspectives, KOC did something that was truly innovative, that no other oil company has done. KOC made a commitment that had an immediate and lasting impact on the environment."

In closing, Sliman urged KOC to continue to set the example for the rest of the oil companies worldwide and as an important model for oil companies in the United States. In short, immediate results have come from immediate commitment. Fifteen years ago, in 1992, in conjunction with NAUI goals to further environmental education, NAUI created an annual Environmental Enrichment Award to recognize outstanding people as well as organizations for professional or volunteer achievements in environmental conservation. And, this award focuses on important recognizable improvement and protection of the aquatic environment or education to protect and conserve the world's aquatic environment. The NAUI perpetual trophy—with the Kuwait Oil Company name now engraved upon it—remains on display at NAUI headquarters in Florida.

James M. Braun, NAUI President

NAUI President spotlights KOC achievement

James M. Braun, NAUI President, spoke proudly of KOC's reefball achievement: "What the Dive Team has done is nothing short of



spectacular. It is miraculous what they have been able to achieve in the last two years. Rejuvenating the environment with 1000 reefballs is extremely important to us. We are very proud of this Environmental Award from NAUI worldwide."

Spencer Slate, NAUI Vice Chairman

NAUI Vice Chairman highlights coral reef development

Spencer Slate, who has been actively involved in various artificial reefball projects across the United States for the past 35 years. Slate explains: "In the wider scheme of things, sunken ships as well as artificial reefball systems built with special pH balanced concrete are crucial. We need more of them to sustain marine life in our oceans: otherwise, we may not be able to harvest fish because of our continued over-fishing and pollution."

"There are more than 500 coral colonies in the Florida Keys," explains Slate, "using sunken ships as well as reefball communities to attract coral growth and provide adequate hideaways for marine life. Reefballs provide a non-intrusive solution to a complex eco-problem. Depth poses no problem: coral in different forms will grow from 150 feet below the water straight up to the surface. We can build reef systems anywhere in this range."

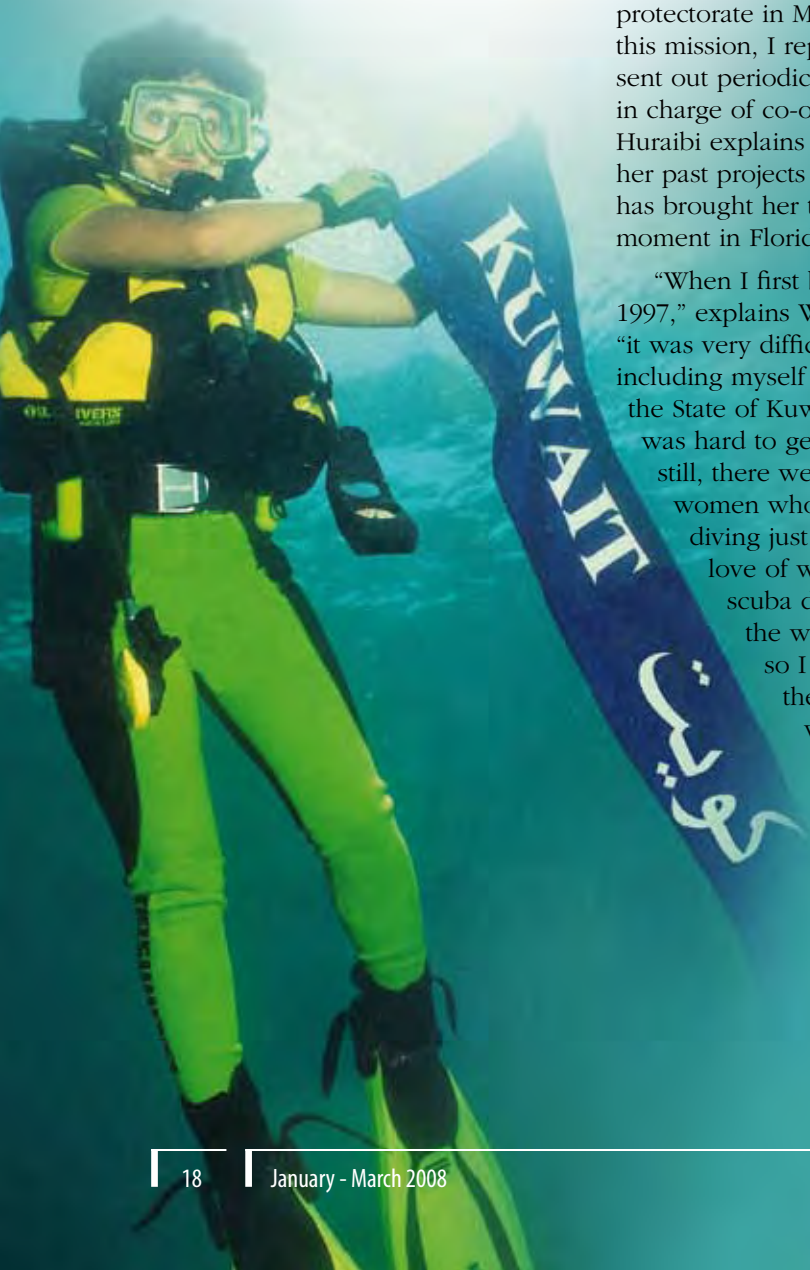
Slate concludes: "I have had the opportunity to be involved in approximately 12 reefball systems but KOC's Marine Colony is the biggest that I know. We are looking forward to studying its impact and its legacy."

Wafaa Al-Huraibi KOC Dive Team

WINS Outstanding Environmental Service Award

When you first meet Kuwaiti diver, Wafaa Al-Huraibi, you are struck by her winning combination of heart, intelligence, and practical environmental skills. And at last, Al-Huraibi has been recognized at the international level for her continued commitment to particular environmental issues in Kuwait.

"Over the past five years," Al-Huraibi says, "she has found solutions to several ecological problems through scuba diving including KOC's Marine Colony Project lead by Captain Reydah Al-Bannow." Now, she has won the Outstanding Environmental Service Award from NAUI USA.



Al-Huraibi adds that she had taken part in various informative and enlightening ecological programs, noting that the most recent one in which she participated was supervising the Marine Colony protectorate in Mina Abdullah. "In this mission, I represented NAUI: I sent out periodical reports and was in charge of co-ordination," Al-Huraibi explains as she reflects on her past projects and the journey that has brought her to this important moment in Florida.

"When I first began diving in 1997," explains Wafaa Al-Huraibi, "it was very difficult for any woman including myself to start diving in the State of Kuwait. Moreover, it was hard to get the news out, but still, there were many young women who dreamed of scuba diving just for fun, for the love of water sports. I loved scuba diving and I loved the water environment so I put the two of them together in what I hoped would eventually become a winning combination."

Al-Huraibi started small. She says, "Let's do something for the sea, let's clean up the beaches. And, at first, people were reluctant to join forces because they categorized these potential projects as a marine challenge rather than a scuba diving/eco-challenge. At that time, even though KOC did not have a scuba diving team, I began to pursue my own goals together with some other people who wanted to do something constructive for the environment and, of course, the country. I had done something smaller but similar about POWs after liberation, and it was also underwater. It was a prototype of bigger things to come."

"It was vital to push projects forward," Al-Huraibi continues. "I drew up a simple plan aligning myself with anyone who was involved in environmental issues in schools and clubs. We encouraged the media especially TV to join ranks with us to learn about how we planned to protect the environment through scuba diving. Even though scuba diving continued along a path without women, my ultimate goal was to widen our scope by attracting young women into our growing network of people."

"I was now a certified NAUI instructor and course director," explains Al-Huraibi. "I could see that women in Kuwait were trained academically in the universities to tackle environmental challenges, but I believed that women needed practical hands-on involvement that combines theory with practice

to really make a difference. And, I wanted to be the one to do it."

"Whenever I began a scuba-diving class," Al-Huraibi concludes, "I started with a 5-minute overview on environmental issues and then, at the end of each session, I put on my 'marketing hat' encouraging women students to join ranks with me on a brief environmental tour. I wanted them to see firsthand what was really happening with marine pollution in the State of Kuwait. Over time, my students became my friends, and slow but sure, I built up a network of women divers who cared deeply about the marine environment here in Kuwait."

Al-Huraibi heads south to Dubai, UAE

At the international level, the tide was turning as environmental issues became front-row-center in the media worldwide. Wafaa Al-Huraibi headed south to make direct links herself with the Emirates Diving Team in Dubai. The Emirates Diving Team had been involved in the cleanup of Oman and Thailand after the tsunami. Not only, was the Emirates Team excited by Al-Huraibi's commitment and certification, but also, they were excited by the possibility of important future collaboration—if anyone wanted scuba diving connections into UAE and vice versa into Kuwait, Al-Harbi became that much-needed link. It was here that KOC's Reefball Project concept was born.

At the invitation of the Emirates Diving Team, KOC Ismael Al-Khawari, Captain Reyadh Al-Bannow (NAUI) and Wafaa Al-Huraibi, headed to Fujairah, UAE to see how feasible it would be to implement a similar KOC project in Kuwait. Fujairah was a success story and a crucial link in the chain for KOC's future success.

Now other wider linkages and dreams came into play with Captain



Mark Flahan - Chairman of NAUI honoring Wafa Al-Huraibi at Florida



C&MD honoring Wafaa Al-Huraibi



Wafaa Al-Huraibi with the Kuwaiti Marine Committee

Reyadh's support from NAUI Middle East as well as Keith Sliman NAUI Board Member who talks about Al-Huraibi's achievement as "a wonderful award to acknowledge our appreciation from NAUI for her continuing efforts. We give the prize to someone who really deserves it, and not necessarily every year."

According to Al-Huraibi, we dreamed of 'going for' this important environmental award on behalf of the world's first oil company with something unique and substantial. All our KOC divers were NAUI members. Al-Huraibi explains: "I envisioned an underwater city, built with 1000 reef balls that replicated Ahmadi underwater. Tareq Al-Failakawi, Head KOC Diving Team, chose the location in Mina Abdullah—it is a superb, marvelous and well-protected location."

From Al-Huraibi's perspective, "The recent NAUI events in Orlando were spellbinding. As Keith Sliman began the official presentation describing Al-Huraibi's achievements, behind him on the big screen flashed Al-Huraibi's picture. Here and there in the audience, people shed a tear as I mounted the platform. I also had tears in my eyes. It had been a long journey, but I believe a worthwhile one, too."

For other divers, who had spent perhaps 10 years trying to win this prestigious environmental award, it came as a surprise and a delight to discover that this year's award was won by a relatively unknown, woman scuba diver named Wafaa Al-Huraibi from the State of Kuwait and the Kuwait Oil Company.

Upon Al-Huraibi's return to Kuwait, KOC Chairman & Managing Director, Sami Fahed Al-Rushaid, had these words of praise for Wafaa Al-Huraibi: "It is an honor that we have a woman here who is committed to these important kinds of projects in Kuwait and at the Kuwait Oil Company. You have managed to raise our vision about the environment. We support your continued success in terms of Health & Safety and wider environmental issues. Everyone should play their part."

The international scuba diving community, both men and women, has now opened wide its heart to the Kuwaiti diver, Wafaa Al-Huraibi, who began with a simple plan to act locally and think globally.

It's time to make a difference!

Diabetes Marathon and International Diabetes Day in Kuwait

Diabetes event

Under the auspices of C&MD Sami Al-Rushaid, KOC joined the World Diabetes Day. Ahmadi International Diabetes Day began on 22-24 November2007 with full slate of programs, awards, and publications at the Unity Center aimed to increase awareness of rising risks of this grave sickness. A fun –filled marathon took place on 24November.

"We have to join hands to limit the spread of this deadly disease and reduce complications," **DMD (Admin. & Fin.) Khaled M. Al-Khamees** said in his speech of behalf of Al-Rushaid. "15% of adults and 22 children for every 100,000 are diabetic," said Al-Khamees, "this makes Kuwait among the highest rates of diabetes compared with other countries."

Head of Diabetics Association for Oil Sector Dr. Zainab Al-Salamain spoke about the Association efforts in spreading the awareness among all sectors of society. In response to the United Nations World Diabetes Day, every one waved a "We are with you." blue flag.

Head, Organization Team Nafisa Amer said: "the Main Objectives of this event are to educate and increase the public awareness of the seriousness of the Diabetes and its Complications"

How to avoid un-necessary complications or dangers were displayed through posters, booklets and brochures. Visitors could make on the spot blood sugar tests. Other publications spoke about how to live with diabetes and how to take care of foot, eye and teeth. The ceremony included a song and quizzes for kids.

Another part of the activity was a marathon around the Ahmadi stadium. **Manager, PR&I Abdul Khaleq Al-Ali** spoke about the company's concern in the health and safety of all employees. "We thank the Diabetics Association for Oil Sector for their efforts in spreading awareness of this sickness."

For his part, **Acting Manager, Ahmadi Hospital, Dr. Ghassan Zein spoke** the medical care provided for those who have diabetes at the Ahmadi Hospital. He urged every one to help in preventing complications.

History of diabetes

Diabetes is one of the oldest diseases known to the ancient Persians, Indians, and Egyptians. Its full name–diabetes mellitus–comes from the Greek words for 'siphon' and 'sugar' and describes the most obvious symptom of uncontrolled diabetes—passing large amounts of urine that is sweet because it contains sugar (glucose). A proper understanding of diabetes has only developed over the last 100 years.



What is diabetes?

Diabetes is a permanent change in internal body chemistry resulting in too much glucose in the blood. The cause of diabetes is a deficiency of insulin, the hormone produced by the pancreas. With Type 1 there may be complete failure of insulin production or, with Type 2, a combination of a partial failure of insulin production and a reduced response of the body to the hormone (insulin resistance).

Type 1, type 2 and gestational diabetes: the difference between them

Type 1 : Insulin-dependent diabetes mellitus (IDDM)

Type 1 begins most commonly in younger patients. As the patient does not produce any insulin, they need insulin injections to stay healthy.

Type 2 : Non-insulin-dependent diabetes mellitus (NIDDM)

Type 2 is called age-related or maturity-onset diabetes and is more common in middle or later life when insulin is reduced (or, is not as effective as normal). Diabetes can be controlled by tablets or diet.

Gestational

Gestational diabetes is glucose intolerance (blood sugar abnormalities) of varying severity at the onset or first recognition of pregnancy, and applies whether insulin is or is not used for treatment.

Symptoms

The severity of the symptoms and the rate they develop can differ depending on what the patient has. Type 1 and Type 2 symptoms include thirst, dehydration, passing large quantities of urine, urinary tract infection (such as cystitis) or thrush, weight loss, tiredness and lethargy as well as blurred vision resulting from dehydration of the lens of the eye.

Why the Interest in diabetes?

Diabetes mellitus is a chronic illness and a major public health problem in Kuwait. Reports vary but the results are conclusive with numbers reaching up to 25 percent of Kuwait's population. 3,000 Type 2 adult diabetics (more women) and 100 Type 1 diabetic children continue to regularly visit Ahmadi Hospital.

A sedentary life-style, the kinds of food people eat, obesity, and a genetic (inherited) predisposition all increase people's chances of developing diabetes in Kuwait. For example, obesity is characteristic of Kuwait's diabetic population, with a mean body mass index (BMI) of 31.8±6.3 (women) and 28.5±5.1 in men. A positive family history of diabetes mellitus is reported in up to 65% of people with diabetes.

Diabetes mellitus, if not properly managed, can result in acute (emergency) or chronic complications, which are preventable. Acute complications include high blood sugar (hyperglycemia) including diabetic ketoacidosis (DKA) and hyperosmolar non-ketotic coma as well as low blood sugar (hypoglycemia). Chronic complications can affect your eyes, heart, feet, kidneys and nervous system.

Community Outreach and General Education

- Increase general awareness about the seriousness of diabetes and its implications
- Discover new patients who may be aware of diabetes and encourage them about primary prevention
- Screen incoming patients for diabetes as well as other clinical complications resulting from this disease
- Provide the latest medical updates on diabetic research and treatment

Preliminary Diabetic Support System

- How to successfully face lifestyle changes with diabetes
- How diabetic patients can become self-reliant
- How diabetics can manage hypo- and hyper-blood sugar symptoms
- Provide 1 glucometer for every patient

Follow-up Support System

- Provide outpatient support for diabetics & continued support from the dietician's clinic

Established in 2002, the Diabetes Mellitus Association (DMA) Oil Sector was created to provide education and awareness to patients in the oil sector as well as Kuwait's schools, higher institutions, and universities. The current DMA Team includes Dr. Zeinab Al-Salamein, Head, DMA, Nafisa Amer, Head, Organization Team, Dr. Mahmoud Sakr (MD, PhD, FACS), Scientific Organizer and Surgical Specialist, Zeid Al-Khaldi, Financial Resources, Adel Al-Fadl, Information & Public Relations, and representatives from different Ahmadi Hospital departments.

Information provided by Nafisa Amer & Dr. Mahmoud Sakr

Diabetes Mellitus Association Oil Sector

KOC Ahmadi Hospital
Diabetes Mellitus Association
website: www.daos-q8.net



Al-Khamees receiving memorabilia from Dr. Al-Salamein & Amer







World diabetes day



Sami Fahed Al-Rushaid, C&MD



Emad Al Omair
The General Councel & Manger Legal Affairs (Compliance Officer)



Kuwait Oil Company Code of Conduct
Taking the Pledge

"I pledge to respect my colleagues regardless of their nationality, race, religion or gender," was the first slogan of the Code of Conduct Kick-off campaign. "Kuwait Oil Company gives priority to this code that represents our core value in conduct commitment," Chairman & Managing Director Sami Al-Rushaid said in his speech at the town hall meeting held for the occasion at the Unity Center on December 27th, 2007. Respect, Environment, Community, Ethics and Confidentiality represent the five pillars of KOC's Code of Conduct.

This Code of Conduct is part of Kuwait Petroleum Corporation policy in showing the highest standards of integrity and personal conduct. As part of this campaign, C&MD Al-Rushaid disseminated a letter stating the importance of adherence to the Code of Conduct in order to create the appropriate working environment to achieve KOC's set vision. Among other things, the letter states: "We are responsible to adopt and commit to this Code of Conduct and its five elements to regulate our behaviour and avoid any misconduct that might negatively impact us as individuals or as a company."

In order to enforce the Code of Conduct, the General Council & Manager Legal Affairs has been appointed as the Compliance Officer.

By adopting the "Five" elements, Kuwait Oil Company assumes responsibility towards its own employees and the society in general.

"Respect" encompasses the religious beliefs and rights of individuals that include fair treatment and equal opportunity for all.

"Environment" reflects the company's policy and commitment in Health, Safety and Environment and strict compliance to the highest HSE policies, practices and standards.

"Community" means positive contribution to the community through respect for the law and providing productive and comfortable working environment as well as maintaining good relationship with society.

"Ethics" include keeping good reputation and winning the trust of clients through conducting business honestly and lawfully.

"Confidentiality" means the protection of information and knowledge related to the company and its employees.

We strongly believe that it is the personal responsibility of each employee to contribute to Kuwait Oil Company success and reputation by carrying out his or her job conscientiously, efficiently and honestly and maintaining the highest standards of integrity and personal conduct in all matters which affect the company.

New 56" Spur Line for MAA Crude Pumps Largest of its kind in Kuwait



Akbar Sanaseeri
Team Leader, Construction
Engineering Group

Standing on the edge of the open tunnel, at first glance to a novice, it appears like a mini-Yellowstone National Park with deep rhythmical ridges systematically cut through the golden earth below. Khalid A. Ali Al-Lahou, KOC Senior Supervision Construction, Engineering Group, Construction Team, who represents KOC's civil side in this contract, explains what this tunnel is about and how this new spur line works.

"The pipe is pushed all the way through hydraulically until you see the crane currently on the other side of the highway. Basically, the spur line will act as a header for the export pipes going to Mina Al-Ahmadi, and because we have to go through to the manifold crossing this main road, we had to design this bigger 64" sleeve, which is the biggest in KOC, so far, to take this 56" pipe."

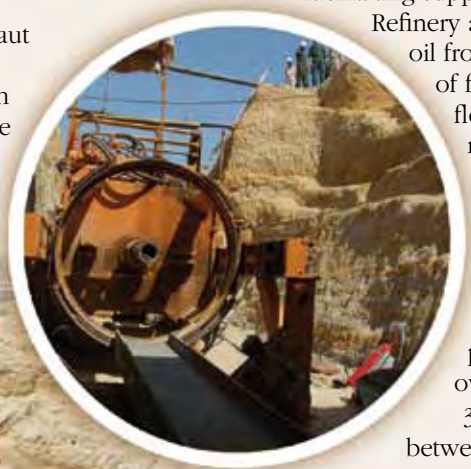
Al-Lahou continues: "No one appreciates it when it's done right. But, if there were any collapse here on the Mina Al-Ahmadi Road itself—also called Tampa Road by the US Army utilizing it, which lies just off the Fahaheel highway—with all this heavy traffic moving back-and-forth, it could be a potential tragedy. The key to success in these kinds of jobs is the team work and continued support from senior management."

The actual drilling itself has been done by Terranaut Technology, a UK-based technology company headed by Tony Snook, Contracts Advisor & Director and Michael Snook, Project Manager, who has been involved in these kinds of drilling projects for approximately 15 years.

According to KOC Team Leader, Construction, Akbar Sanaseeri, they have done an excellent job. Tony Snook explains: "We travel the world drilling. We're well-known in Britain and the Far East, and now look forward to other projects here in the Middle East."

Terranaut Technology

Think big, think bigger, think Terranaut Technology. For 'on-the-spot' overseas assignments—and to meet today's tough challenges for installing large pipes—the Terranaut team comes armed with their own equipment including micro-tunneling machinery, auger boring technology as well as directional drilling machines up to 200 ton to tackle big projects such as the new 56" spur line for MAA Crude Pumps. With over 28 years experience 'under their belt', Terranaut is experienced in designing and installing service pipelines and cables beneath highways and airport runways without disrupting traffic flow above. This is not a new technology, but nevertheless, in a fraction of the time required by conventional methods, horizontal directional drilling (HDD) can install cables up to 1200 mm diameter wide. Lengths up to 1500 meters can be drilled in constructing tunnels, culverts and walkways free from external damage without disturbing life above ground while lines are safely buried deep underground.



Did You Know?

Scope of Work for the new Spur Line

1. Supply, Install, Test, Pre-Commission and Commission 56" diameter pipeline from KNPC M/F to New M/F. Approximate Length: 1850 meters.

2. Associated work including tie-ins with existing GLs 1,2, 3, 6,8, 13 and 25 (future), Provision of isolation valves (MOVs) downstream of tie-in points and just inside MAA refinery fence for GLs 1, 2, 3 ,6, 8 and 13. Installation of Sleeve (Thrust Boring) for road crossing, pipeline markers, hydrostatic testing, and related Electrical & Instrumentation work.

3. Basically this line should function as a header facilitating supply of crude oil from existing GLs to MAA Refinery and be used for (1) Diversion of crude oil from one GL to other GL, (2) Summation of flow through different GLs (3) Increased flow (4) Ease of Operation in case of maintenance requirements, and (5) More control on the crude supply to MAA.

Other Highlights

1. Flow control from KNPC Metering Skid/COCC/local panel of valves.

2. Digital video surveillance, recording, playback, and control of multiple sites over FO network link.

3. Fiber optic network for data transfer between KNPC Metering Skid and COCC.

4. Contract Value: KD 2,220,000.

Training program plus new environmental & financial sustainability service

KOC/WorleyParsons Kuwait Contract



WorleyParsons is no stranger to the Kuwait Oil Company as they have handled several previous contracts and of course, have done a great job for us in the past. Recently we signed another very important Project Management Contract (PMC) with them. WorleyParsons know KOC operations, fields, people, regulations and policies, which ensures that everything runs smoothly. They have a renowned international reputation to help KOC achieve its ambitious plans regarding our 2020 Strategy to reach 4 million barrels of oil per day. On 16 October, 2007, KOC signed a KD 87.3 million (US$305) five year contract with WorleyParsons. Jay Ibrahim, Senior Vice-President & Regional Director represents WorleyParsons Kuwait.

Ibrahim began with these introductory remarks: "WorleyParsons is a leader in providing complex services to the energy resources industry with major hubs in Europe, Asia, America, and Australia and is well-qualified to assist the KOC with its strategic goals."

"The Middle East has always played an important part in our history," he continued, "and WorleyParsons has been responsible for some other of the Middle East's most challenging and complex hydrocarbon projects. Furthermore, within the Middle East, KOC is a strategic business partner: this has been demonstrated by the continuous professional relationship and performance services to the KOC, and we are proud to be part of their plans."

"Zero-impact on assets, people, and the environment continues to be our goal," Ibrahim concluded. "Visibility and accountability is our continued commitment. Furthermore, during the execution of the project, we are offering a new service that practically embeds environmental and financial sustainability into all aspects of the project life-cycle. It is also our intention to initiate a comprehensive training program that will broaden the skills of the young Kuwaiti engineers to ensure the transfer of technology as well as the implementation of management skills."

The KOC PMC contract terms provide project management, co-ordination, planning, design, engineering, construction management, contracting, procurement, project controls, training, and other services for the construction of new facilities and the up-grading of existing facilities as well as the transfer of technology. WorleyParsons is a leading international provider of professional services to the energy, resource, and complex process industries. With over 23,800 personnel in 84 offices across 32 countries, WorleyParsons is well qualified to provide the new five-year contract services – they also demonstrated their ability to provided value-added services to KOC from 1993-2003 in PMC services.



Steven Bell
Regional Director, Middle East

WorleyParsons Sea
resources & energy

Does this new KOC/WorleyParsons Kuwait contract allocate actual percentages for Kuwaiti personnel? If so, can you elaborate on this because Kuwaitization is important to the strategic vision of the State of Kuwait?

Steven Bell: The contract requires a minimum of 15 percent of reimbursable personnel to be Kuwaiti, which can include as many as 20 people. Of course, WorleyParsons Kuwait continues to fully support Kuwait's push for Kuwaitization. In fact, WorleyParsons Kuwait trained many Kuwaitis during our last PMC contract, which was completed in 2003. Many Kuwaiti still works with KOC in some way or another. Shortly, we will advertise for these Kuwaiti positions concerning this contract and begin preparation for our Kuwaiti training program.

Can you tell us more about your background, training and expertise, and how you got into the energy/oil industry?

Steven Bell: I was trained as a civil engineer and spent the first 7 years of my career working for SASOL (South African Petrochemical Company) where I gained valuable project management experience managing a multitude of petrochemical projects. In 1999, I joined WorleyParsons in Oman as senior project engineer managing upstream oil & gas projects. In 2000, I became Location Manager responsible, among other things, for managing an engineering office of 350 people.

WorleyParsons has grown into a significant international company. Can you tell us more about your current role and responsibilities in the region? You have lived in Muscat, Oman for almost a decade. Do you have any important insights you would like to mention to our readers that has changed the way you work with people in cross-cultural settings?

Steven Bell: In July 2007, I became Regional Director for WorleyParsons in the Middle East responsible for operations management of Kuwait, Abu-Dhabi, Qatar and Oman comprising 1,000 people. Part of my role includes corporate sponsor for KOC PMC Contract.

I have changed my management style over the years working with different people from different cultures including time management issues—being on time or not on time—as well as handling issues of confrontation. Supervisory roles and sub-ordinate roles beneath them are different from country to country and region to region. The best way to work with different cultures is to get to know the cultures deeply and to adapt the best management style to meet changing cultural expectations.



Ahmadi springs to life again with new KOC office complex

The world of architecture and design has been revolutionized in the past 30 years but some things remain the same, whether it is in architecture, engineering, or oil exploration & development, that is, the crucial qualities of integrity, loyalty and honor—invisible threads that often bind together organizations and corporations. And, it is these characteristics among others that have bound together the Kuwait Oil Company and Gulf Consult over many generations as new buildings in Ahmadi have sprung up from the desert landscape, many of them from the drafting tables of Gulf Consult under the leadership of the late engineer and founding chairman, Hamad Abdulatif Mohammed Thunayan Al-Ghanim and his team.



Eng. Ismail Ashkanani
Ag. Team Leader Major Projects IV

Oil and architecture really began in Kuwait with the oil embargo in 1973 according to senior architects at Gulf Consult. Through a series of circumstances—trying to find the right niche between consultancy work and contracting—and finally landing on consultancy and the urgent need for modern housing in Kuwait, as Kuwait moved from traditional merchant banking and trading to an oil state & modern economy, Gulf Consult's future, however fledgling, took shape and never looked back.



KOC Office Complex

Integrated English-style village soon to open doors

"Most of the Kuwait Oil Company offices are scattered and almost unrecognizable in various small buildings all over Ahmadi and elsewhere," said Acting Team Leader, Major Projects IV, Eng. Ismail Ashkanani, "so in early 2000 the idea of constructing a new office complex was initiated to pull everything together under one rooftop and one main address. Such complex would minimize the commuting distance between various offices and greatly enhance the smooth functioning of KOC."

"In 2002, KOC Engineering Group started the preliminary design for a complex that would cater for a great number of employees," Ashkanani says, "Gulf Consult took first prize to design the new KOC office complex in keeping with the bronze-and-glass headquarters of the Kuwait Oil Company, while the construction contract was awarded to Alamiah Building Company. Supervision of HSE matters was assigned to Fluor Co."

Strategically suited to the master plan of Ahmadi Township, another revolution has taken place in the Industrial Area, not far from KOC main office, since then. Where only small mobile facilities once stood, there now stands a lovely yellow brick edifice, a new three-story office complex of six buildings, each building designed to cater for a different directorate or department that will eventually house approximately 2800 KOC employees.

Gulf Consult was awarded the full design and supervision of this important collection of buildings. "When completed in 2008, KOC's new offices—encompassing 20,000 square meters—will evoke the feeling of an English-style garden village with exterior design and colours emblematic of life in Ahmadi town 50 years ago," Ashkanani comments.

External services and off-site infrastructure works include modification and renovation of existing roads outside industrial area, HT cable connection of MEW substations.

The latest building management system shall integrate HVAC units for all the buildings, fire protection, security, CCTV, telecommunication services, landscape lighting, substations and related electrical equipments.



Eng. Riad Maradini
Gulf Consult

GULF CONSULT

Tour-de-Force

Riad Mardini, Gulf Consult, Resident Construction Manager took the Kuwaiti Digest mini-team on a visual tour of the new KOC main office complex.. Founded in 1967, and operating principally in Kuwait and the Arabian Gulf region, Gulf Consult is one of the Middle East's leading architectural and engineering firms.

Landscaping including several fountains in the inner courtyard, which will improve the feel as well as soften the way the buildings meet the pavement; it will add the finishing touches to what we have always envisioned as a small English-style village where colleagues and neighbours meet to discuss important projects of the day."

"Design-wise we have built the entire complex with a central avenue that brings the visitor straight into the heart of the six-building complex itself. Several shaded parking areas for 1,800 cars have been designed on the outer perimeter but with substantial walkways into the office area."

Mardini explains how it works: "The yellow brick imported from Germany with high standards of quality and sustainability, similar to the excellent brick work at the Sharq Souk, is designed to stand the test of time even after 30 or 40 years. Matching Italian marble, American granite, German brickwork and high-quality carpet and lighting are designed to provide a sense of luxury and attention to detail."

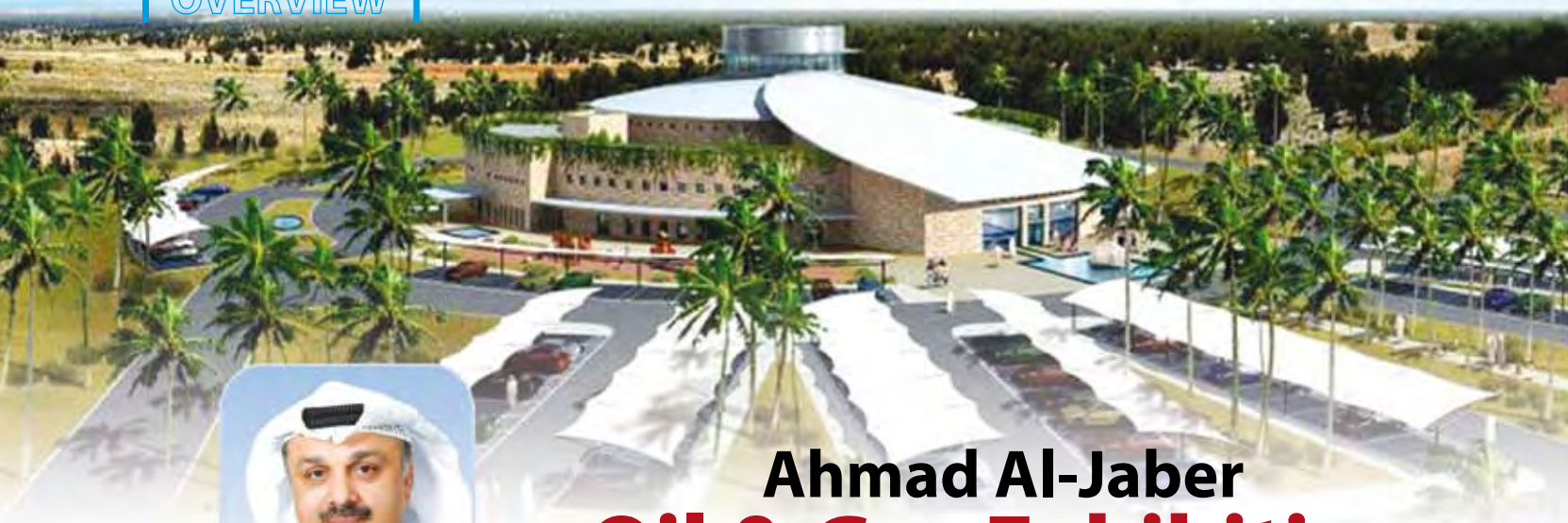
"Buildings 3, 4 and 5, will be handed over officially hopefully, by January or February, 2008 including a service building with a main dining area that seat over 150 people, theatre, and large mosque as well as 30-40 offices."

"The main reception with its dramatic domed roofline, marble features and state-of-the-art access control sets the stage for the interior space including the shed roof to come."

"It is possible that, once this main area is successfully completed, Phase 2 may be built in the future directly adjacent to Phase 1 development."

Total cost is estimated to be KD 32 million.





Ahmad Al-Jaber Oil & Gas Exhibition

Edutainment center to open in 2010

Abdul Khaleq Al-Ali
Manager, PR & I

The Kuwaiti Digest magazine interviewed Abdul Khaliq Al-Ali, Manager, KOC Public Relations and Information to talk about the new KOC Display Center.

"In case of the new KOC Display Center, now officially named Ahmad Al-Jaber Oil & Gas Exhibition, which is designed to recognize three key aspects of the former Amir's rule as the founder of modern Kuwait when oil was first discovered and the entire oil industry bloomed under this rule," Abdul Khaliq Al-Ali explains, "in 2004, the multidisciplinary committee began to look seriously at the concept design, construction, IT, and PR for the entire display center project itself".

How the idea began

"Kuwait has few significant architectural landmarks," says Al-Ali, "but the Ahmad Al-Jaber Oil & Gas Exhibition will be one—organic in approach, unique in design, state-of-the art in technology, and world-class in execution. And, we can hardly wait for the sod to be turned in 2008 and the doors to open in 2010 because this place is going to be fun, educational and, we hope, memorable."

"Now, we are in a phase of story development for each gallery," Al-Ali concludes. "We are calling on anyone who can contribute to the exhibition itself a first document, first I.D., first picture, clothes or artifacts such as an oil fire badge (1950s) used to enter the field, for example."

Exhibition aims to meet different needs

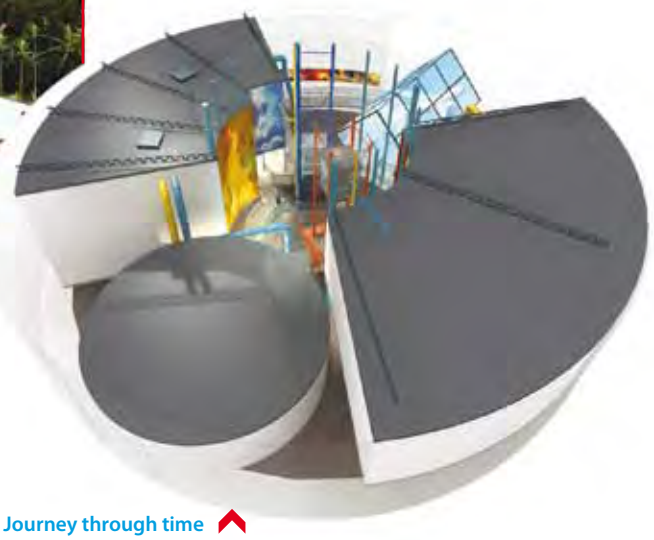
The medium is the message, and in this case, there are different themes and messages woven throughout for different audiences from VIPs, heads of state and students as well as the general public including the history of the long journey of oil's formation to its millions of uses today in the car, in the home and in industry, oil & gas awareness, the development of Kuwait in general and the KOC in particular, edutainment and the human side of the industry.

The committee worked closely with consultants. They visited American, Norwegian and British museums learning from their experiences. Eventually, they chose an organic and symbolic concept of the Ammonite that unfolds naturally from its center in ever-expanding spirals of structure until it reaches its outer rim. Fossilized shells called Ammonites are extinct ancestors of the famous spiral-shaped nautilus seashell.

The Ammonite as an architectural concept unfolds in different sections if you look from the top, first from its center as the very origin and formation of oil itself, telling the story of oil in ever wider thematic circles. In a real sense, boxes are out and circles are in, that is, holistic interconnected circles of information and education is in.

Al-Ali explains: "We learned that KOC, PR, the design team and the interior exhibits team could best develop the building in accordance with the needs of the interior exhibits team developing the internal theme, first and foremost, rather than squeezing this important and central idea into a box and working within its rigid structure. This exhibition moves KOC 10-15 years into the future."



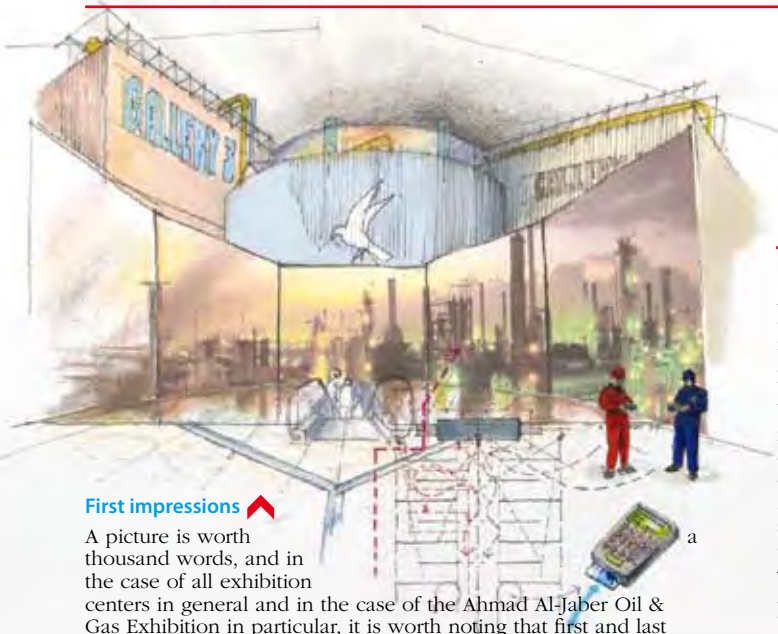


State-of-the-Art Center

Ahmad Al-Jaber Oil & Gas Exhibition is an integrated center for conferences, different functions, classes and training so that, besides the exhibition center itself, there is a state-of-the-art 250-seat theatre, classrooms, multi-function hall, small cafeteria, gift shop and separate integrated entrance for VIPs (for security and logistics) as well as banquet and presentation area rather than just a simple exhibition center. There will be ample parking for VIPs, visitors as well as schools. There will be a themed park, shaped after oil installations or oil tankers.

Journey through time

Ahmad Al-Jaber Oil & Gas Exhibition is designed to take the visitor on a one-way journey through time and space. A visitor begins at one point and ends up at another point so that, by the time, they have finished their tour the visitor will have completed, in a sense, a mini-course on the oil & gas industry with a certificate at the end.

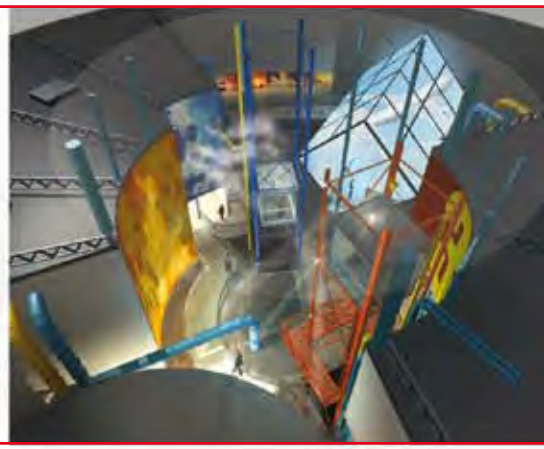


First impressions

A picture is worth thousand words, and in the case of all exhibition centers in general and in the case of the Ahmad Al-Jaber Oil & Gas Exhibition in particular, it is worth noting that first and last impressions are crucial. The first impression here will include a panoramic 180-degree screen with surround sound systems designed to completely captivate visitors as they wait to enter. Visitor attention will be completely drawn to the different documentaries on oil & gas in Kuwait. There are four or five mega-cameras in the world that film these kinds of exhibition screens. This is the 'wow' factor.

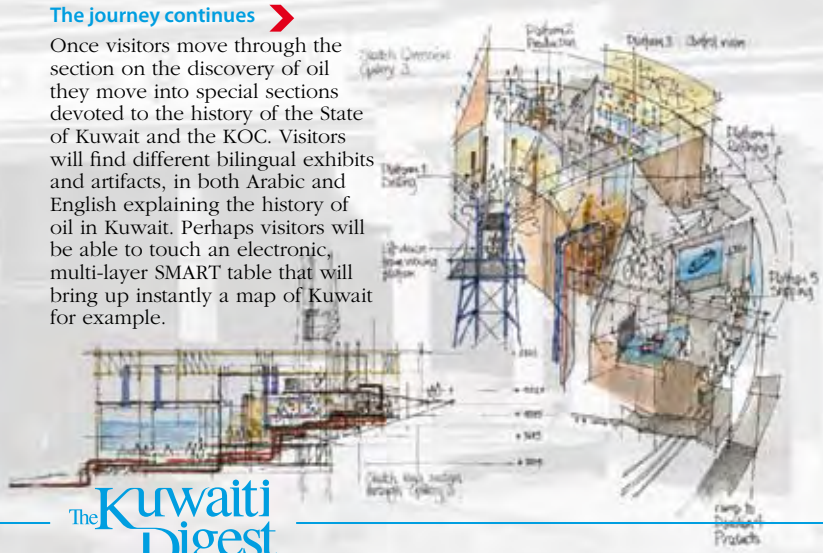
History comes alive

At the main entrance, oil oozes out from around a rock cut from the earth symbolizing KOC's core business. Visitors descend by escalator into an oil field to discover the origins of oil itself. The whole exhibition will be completely interactive with state-of-the-art technology designed for different ways of learning – special effects, halo-grams and audio-visual, for example. History comes alive with memories designed for a lifetime.



The journey continues

Once visitors move through the section on the discovery of oil they move into special sections devoted to the history of the State of Kuwait and the KOC. Visitors will find different bilingual exhibits and artifacts, in both Arabic and English explaining the history of oil in Kuwait. Perhaps visitors will be able to touch an electronic, multi-layer SMART table that will bring up instantly a map of Kuwait for example.



From extraction to refineries

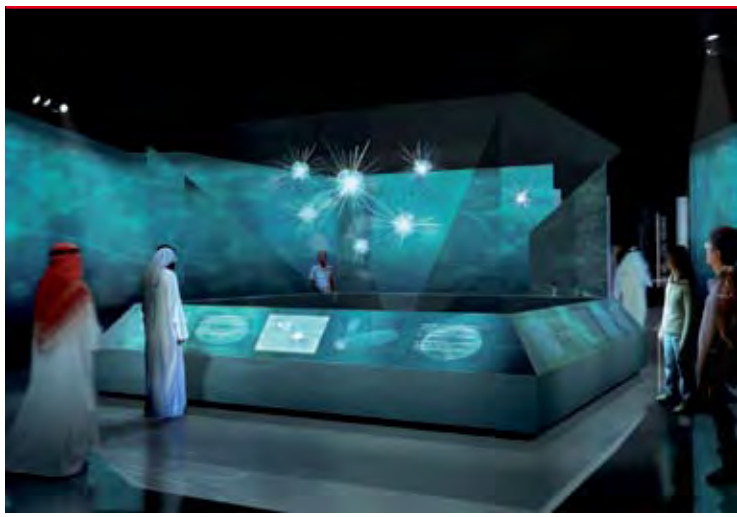
From themed areas focused on oil extraction, visitors will move seamlessly to other themed areas devoted to refining operations in Kuwait. A see-through elevator takes visitors to the top, to a panoramic observatory dock of KOC operations including north tank farm, oil tankers, and the refineries. Even at night or during dusty days, visitors will be able to see, at a distance, with the aid of special audiovisuals on the windows themselves how KOC's oil moves from one place to another.



Upstream as well as downstream

Visitors will learn about different oil sectors such as PIC and KNPC, for example. Designs include the whole idea of a small refinery and how oil itself is refined into different products. Of course, visitors will experience this concept with lots of steel and pipes to give visitors the feeling that they are actually inside a Gathering Center.





Origins of Oil



Extraction to Refining



Extraction to Refining



Entrance Experience



Products



Behind-the-Scenes at the Central Workshop

Where everything counts



Emad E. Al-Nasser
Team Leader, Central Workshop



Hezam Al-Ajmi
Senior Engineer
Central Workshop Team
Industrial Services Group



Khalid S. Al-Ajmi
Senior Engineer, CWS

Everything counts and especially at KOC Central Workshop (CW/TN21) where the nuts-and-bolts of repairs, refurbishes and redesign take place behind the scenes, day-in and day-out, in probably the most important collection of buildings assembled in one place next to the KOC main office and oil wells themselves.

As a potential profit center, there is no doubt—for here, in Ahmadi, five non-descript but vast workshops and the hundred or so men manning them have the capabilities to design and produce vessels, valves and value of all kinds.

Courtesy of Emad Al-Nasser, Team Leader, Central Workshop, Central Workshop Team, KOC Industrial Services Group, the Kuwaiti Digest had an opportunity to have a first-hand look at the entire facilities located in the new industrial area, and needless to say, it was impressive.

"We have two goals here, safety and sales, that is, we want contractors and employees alike to know what we do, why we do it and where we do it," says Al-Nasser. "Furthermore, we want our people here at the KOC and our children's children to be committed.





Machine Shop: Talent and training

When this Workshop gives the 'green light', the men in the field can trust that the job was done right, and on time. Here is a place of talent and training where a small six-man team fabricates spare parts and tools that come from everywhere at the KOC. They support the Drilling Team, for example, by threading connector pipes together but as the machinery ages and parts become irreplaceable, they have had to learn to manufacture certain essential tools to keep KOC running smoothly. They are proud to say that they are one of the biggest Machine Shops in the Middle East.



Valve Shop: Bigger and better valves

At the KOC Valve Shop another small team of men test all kinds of valves - new and old - for gas, sewage and water. They test the pressure: they even recycle water for testing. Operations have increased significantly and bigger valves have arrived on the door – so big, in fact, that a special outside shed was built to house these special valves and special work hours were created to work during the heat of the summer.

Emad Al-Nasser describes the Central Workshop: "We have the machine shop, workshop, welding, fitting and electric shop—each shop has its own unique work. For example, in the workshop, last year we serviced over 9000 valves from 3" to 52" and we have zero defect tolerance. Furthermore, our own KOC inspector from the inspection team tests every valve before it leaves the KOC Workshop. We tackle major work: we overhaul the valves even sometimes when there is a leakage in it. We take care of the valve from our facility to the user properly. We have a history of each valve — when, how and where it is maintained, tested, or even failed testing—crude oil differs from West Kuwait to North Kuwait."

Moreover he added: "Last September, we received ISO 9,000 Certification for management systems. We have approximately 100 KOC and 250-300 contract employees, and we have awards for employee of the quarter plus excellent facilities for relaxation. Every quarter we plan events that bring us together as 'One Family'."

Imagine the amount of work. In 2006, CW covered roughly 8-10,000 requests but there is much more to the story. In the valve shop, one single request might include 200 valves. Work has decreased significantly in contracting and outsourcing, yet CW still struggles to meet the demand.

Khalid Al Ajmi, Senior Engineer and Hezam Al-Ajmi, Senior Engineer, they spoke regarding the CW, "Of course, the computer has transformed operations at the Workshop," concludes Al-Ajmi. "We keep abreast of latest developments through seminars, external courses and workshops. Work at the community level has increased for KOC Community Services, Ministry of Interior, Ministry of Defense, Kuwait Science Club, Kuwait University work-study programs for university students, and Ahmadi Festival—it is an essential part of the CW strategy. We also provide equipment support to the Display Center, Ahmadi Hospital and Sports Center as well as the Building Maintenance and Utilities Team. In addition, we provide direct support service to sister companies such as EQUATE, KNPC and PIC for rotating equipment balancing, fabrication and planned shutdowns."

"The infrastructure is waiting here to service larger projects, if only we could market it properly," says Khalid Al-Ajmi. "This is one of the suggestions that we have put forward to the Board that we are here, the people are here, the infrastructure is here, and paid for. We can actually bring work from the outside, and charge for the variety of our services, which would bring in substantially more income for the KOC. Pricing for each valve, each process and for each job is currently under review as we move towards profit-centered thinking here at the Kuwait Oil Company."

Central Workshop Team provides direct support to the Assets Groups in their shutdowns and planned shutdowns activities, by providing maintenance, overhaul, and repair services for various equipments and machineries such as pumps, valves, motors and safety equipments installed in oil fields, GC's, BS's.

Central Workshop Team also fabricates non-available spares and components, for many Groups.

We also, provide technical training for Kuwait University and PAAET students, in coordination with Training & Career Development Group. Where students learn first hand how equipment is being repaired, through out our various 5 workshops."



Electric Shop: Transforming KOC

All KOC transformers and generators are maintained here, for example, gathering centers have booster stations, valves and pipes.



Fitting/Pump Shop:

Here in this section they overhaul compressors, gear boxes, pumps. They also fabricate light sheet metal as well as engraving and signs related to oil field installation, drilling equipment and mobile equipment.



Welding/Fabrication Shop: From tanks to vessels

The space is more like a sizeable aviation hangar with hangar-wide doors, and the welding team within it is equipped to meet any challenge that KOC throws at them. Even underwater, they have the capabilities and certification. Sometimes they tackle enormous jobs such as the new KOC tanks, now bigger than ever, where the entire KOC Welding Shop could fit neatly inside it.

Welding can undertake heavy fabrication related to oil installations, structures, vessels and tanks. Using Arc, Tig, Mig and gas welding technology, it also carries out all kinds of welding assignments.



Abdul Hadi Khabott & Jayaprakash P. First Class Mechanic & Inspection Engineer (Valve Shop)





Ali Husain takes on the challenge:

BP Alaska Challenge Program

Swapping one 'hot' desert for another 'cool' one

Working from 4 a.m. to 8 p.m. 7 days a week in conditions of -70 degrees Celsius with bitter driving winds would be a 'living nightmare' for many people but for Ali Husain, he relished the idea. As a Kuwaiti national and petroleum engineer, Ali Husain was posted to Alaska as part of BP's Challenge Program. In fact, Ali Husain was BP's first Kuwaiti Challenger, the first Kuwaiti national to work in BP Alaska.

But going from the warmth of the Middle East—with temperatures typically 30-40 degrees Celsius—to Alaska proved to be challenging. Husain recalls: "This job was a battle–you were permanently fighting the weather."

"Once I faced three days in a row of -70 degrees Celsius," he said. "In situations like this, safety is the Number One priority. We had to avoid frostbite and our tools were only designed for -40 degrees below Celsius. Steel would break if it was too cold."

Husain remembers, "The coldest temperature I have ever experienced was -73 degrees Celsius below with the windchill factor. We had arctic Personnel Protective Equipment (PPE) with us at all times, but the big problem was our hands and face."

"It's not cold all the time in the arctic desert," he quipped. "During the summer, the temperature rises to +20 degrees Celsius, but this only lasts for 1 or 2 weeks each year."

Ali Husain was born and raised in Kuwait. At 17 with a full scholarship under his arm, he set off by himself to Colorado US to attend university. He barely spoke a word of English. Now he speaks like a native Midwesterner. Husain studied at the Colorado School of Mines where he took his Bachelor of Science (B.Sc.) in Petroleum Engineering. As part of the program, he also spent 8 months in Austria attending the Mining University of Leoben. Husain returned to Colorado to complete a Master of Engineering (M.E.) also in Petroleum Engineering when he was 23 years old.

BP recruited Husain in Colorado before he was transferred to Kuwait. He began work with BP Kuwait as the first Kuwaiti Challenger, working on the North Kuwait fields from July through November 2005. As part of his training and development, he was sent to Anchorage Alaska for a year to work as a Petroleum Engineer (PE) on the water flood team of Greater Prudhoe Bay operated by BP. It is one of the testing grounds for BP's new technology.

The water flood team had the important task - to backfill extraction holes with water once the oil was removed as well as to help maintain the pressure management of the field and optimize production. Later Husain moved to the field in the Wells Group in Prudhoe Bay where he is still gaining practical experience as a Petroleum Engineer.

"I am enjoying the experience but I have faced a steep learning curve. This is a harsh environment and there are many restrictions on the way we work. We are under scrutiny in terms of safety and in terms of our environmental impact. BP has high standards in this regard; we never operate below these standards, in fact we often surpass them."

When he is on the field Husain explains: "This is where the rubber hits the road, so to speak."

And this is his greatest challenge, so far.

"I love being on the North Slope because I am surrounded by people with 20-30 years experience." he says.

Husain's work includes writing detailed procedure reports, designing the extraction, contacting the service companies then babysitting the project to ensure all standards are met. This is the role of a well site leader and a production engineer. "We must do it in a correct and safe manner, and there are many technical aspects to the job. We can't just follow set guidelines: we must make critical decisions on the spot," adds Husain.

Husain has worked in Alaska for 2 years, with 2 more years to go.

Overcoming challenges

Many complications in the field are often compounded by weather. One particularly difficult complication for Husain came when he got a logging tool stuck in a well he was probing (because it had dried up). Matters became worse when the weather hit -50 Celsius and the wind roared to 50km per hour.

When and if oil extraction slows down at the same time as additional reserves are discovered, the old one must be blocked and a new channel dug. A Gamma Ray/Casing Collar Locator log measures the depth control to ensure the plug is positioned properly in the right location.

If a logging tool remains stuck, engineers like Husain must choose between whether to spend time retrieving the tool or abandoning it at considerable cost and setting the plug using other depth control methods. There are several options.

One option is risk versus daily rental of the coil unit versus the cost of the logging tools, the time it might take to fish the tools, and the incremental oil recovery (IOR) in another well.

"This job took 4 days to complete," he said. "When you're stuck, it feels like jail-you're so helpless. Our costs soared from an initial estimate of US$80,000 to over US$300,000." But that's not all.

"It's common to drill a new side track using the same surface hole as this limits the overall enviro-footprint," Husain explains. "It makes good economical sense as a side track costs around US$5m whereas a new well costs around US$8m. The wells that BP drills range from 10,000 to over 20,000 ft—that's almost 4 miles!"

Life in the frozen wilderness

There is a routine to his work. Husain works 7 days a week for 2 weeks before taking 2 weeks off. He returns to Kuwait for some time off but explores Alaska from Anchorage up to Prudhoe Bay, for example, and the rest of the time America south of 49. Husain celebrated his last birthday with his wife in Katmai National Park. "We were able to stand only 5 to 10 ft. away from grizzly bears eating salmon straight out of the stream."

His future remains unknown but one thing is certain he would like to return to the Middle East. Clearly Hussain has been enriched by his experiences. "I'm not in it for the money but more for the experience on the slope—and what an experience it has been from reeling in 200 lb halibut to feeding a colony of 200 bald eagles who descend daily on the home of the 90-year old 'Bird Lady' of Homer Alaska.

Hussain is very grateful to BP for the entire experience and despite the freezing cold (and, he means cold!), he'll be sorry to leave Alaska behind. "Alaska is the last frontier wilderness. It is untouched," he concluded.

KOC launches

eBEAMS B2B system



eBEAMS (electronic Business and Enterprise Asset Management System) is a major undertaking for KOC. Not only, will it enable KOC to streamline its processes to achieve the efficiencies demanded by the 2020 Strategy, but also, it will affect everyone at KOC. eBEAMS objectives are not designed just to replace the Indus Passport but also to modernize across the board.

eBEAMS is based on the Business-to-Business (B2B) concept that will promote business interactions with external business partners; integrate processes from project initiation, procurement and contract services; installation, operation and maintenance of all the Assets; and avoid use of standalone systems.

eBEAMS will contribute to a paperless environment, reduce administrative activities, speed up processes across the company, and streamline KOC activities thereby increasing productivity and providing effective planning tools based on real-time data.

This system will be used by KOC staff as well as external business partners by providing a single portal for all business transactions within the company to achieve the following targets:

- Lower costs of goods and services by facilitating price comparisons, and leveraging company-wide power to obtain better & lower-cost agreements with suppliers and contractors.
- Provide greater access to the community of suppliers and contractors, and to simplify how to do business with the company.
- Facilitate collaboration of KOC/ Supplier and Contractor activity on procurement and tendering activities.
- Optimize use of resources and costs through an interface with project management tools e.g. PRIMAVERA, MS-Project.
- Achieve HSE and inspection compliances through auto-generated work orders based on condition monitoring and operational triggers by interfacing with relevant software.
- Improve availability of installations implementing preventive, predictive and reliable maintenance (RCM) concepts.
- Interface with KOC financial system so that new project assets can be linked to accumulate all associated costs throughout the life of the asset.
- Provide web access for international vendors to input the spares and maintenance data for new projects before project commissioning to ensure timely availability of required spares.

eBEAMS Steering Committee includes Jasser Al-Jasser, Manager, Commercial Affairs as Chairman with Emad Sultan, M (Operations. EK) as Deputy Chairman in addition to Hesham Al-Nouri M (IT), AbdulRahim Al-Awadi TL Systems & Policies, Ahmad Al-Kharaz, TL Quality Assurance, Abdulla Mazeedi TL Information Systems Projects, Mohammad Al-Zoubi TL Maintenance (NK), Yousef Abdulrahman TL Drilling & W/O 1, Nabil Marouf TL Project Design, Emad Al-Nasser TL Central Workshop, and Wadha Al-Akrooka Senior Specialist Purchasing, Secretary and Task Force Leader.

Terms of reference for the eBEAMS Steering Committee, and from the sponsor, Sami Fahed Al-Rushaid, Chairman & Managing Director, are according to Jasser Al-Jasser, "The project will lead the company to make use of leading technologies to improve its business processes, employee productivity, reduce downtime & maintenance costs on field equipment, and improve governance."

Steering Committee objectives state: "Its goal is to provide leadership and back-up to the project team as well as system-support activities needed for current and future applications, to ensure successful implementation of eBusiness and MMMS replacement projects, and effective system utilization by all users." Among other duties, Committee Members are responsible "[to] sponsor changes needed in respective functional

area processes, to be a change management agent, and to achieve optimum results of project outcome."

eBEAMS choses Maximo

eBEAMS Task Force has selected 'Maximo' as the software application that meets project requirements. Contractual arrangements are currently being finalized and once they are completed, the project itself will take two years to complete. The Task Force has been instructed to pay particular attention to the lessons leaned from major changes in KOC's past (Merging Superintendent/GS, moving to asset- and profit-centre base, CIIP, and others) to ensure that this major change will proceed smoothly.

To this end, and for the first time, they have formed a team under Ahmad Al-Kharaz, TL Quality Assurance, to specifically address change management issues. More news will be coming about eBEAMS project and what it means to users through the Change Management team.

eBEAMS: 21st-century solution for streamlined processes

eBEAMS presents KOC with a 21st-century solution to make the best use of the latest technologies and IT infrastructure. It will equip KOC staff with the latest practices in procurement, contract, materials, asset, work and services management.

eBEAMS Steering Committee is looking forward to a bright future at KOC where the only limitation will be our creativity, where good ideas can be immediately put to work, and where our customers expect to be impressed by the services we provide. For that to happen, we all need to share the vision, see where we fit in, and go the 'extra mile' to achieve it.

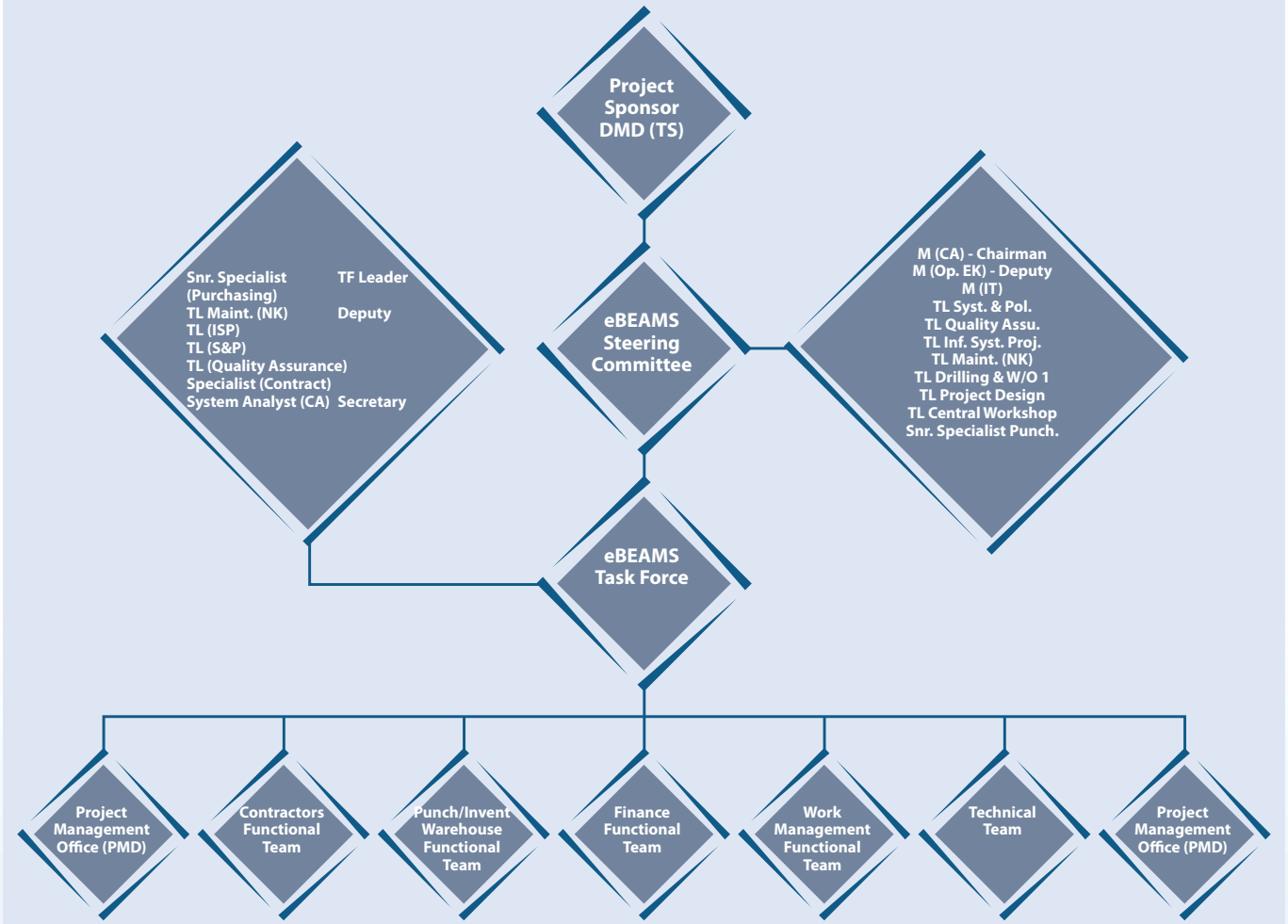
KOC is prepared to make a considerable investment in systems and consultancy but it will be an investment in failure unless we are all prepared to seek out where we can make a difference.

Although eBEAMS promises to be a major undertaking, its success will come from bringing together all contributions, major and minor, made by all of us.

eBEAMS' success depends entirely on your cooperation—the next two years will tell.[sah2].

Good luck to all of us.

eBEAMS Steering Committee, Task Force and Functional Teams chart



Performance-based Customer Service is the Key to KOC Compensation



Nabil Al-Kharji
Team Leader, Compensation
Human Resources Group

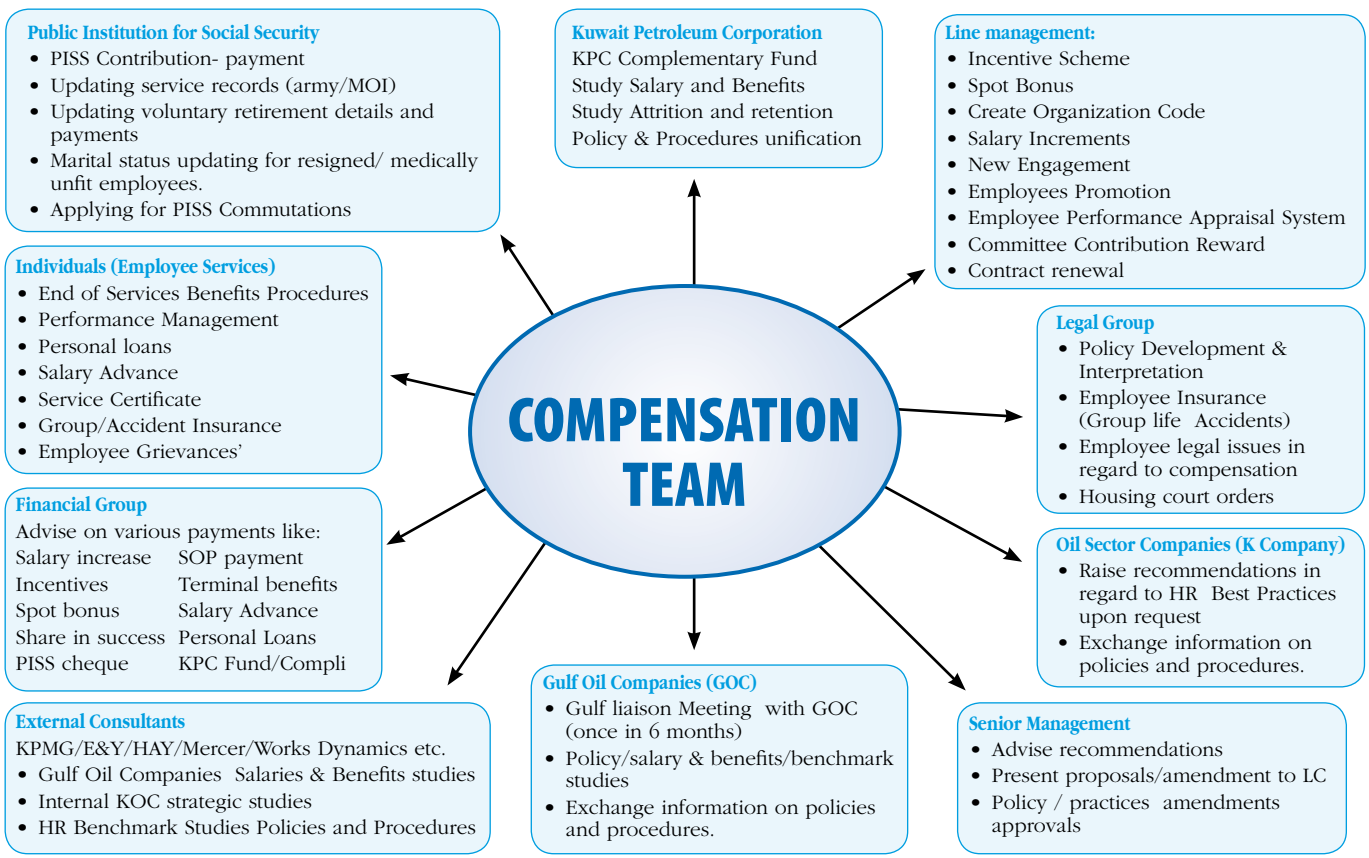
High performance is the key to any modern and successful workforce, for over the past twenty years a company's workforce has become increasingly important to any strategic business success including KOC core business. People and workforce-related issues remain on the top of the agenda that differentiate great companies from just good companies.

Clearly, companies must devote more attention and resources to addressing all aspects of talent management—from recruiting, career development, and performance management to rewards, recognition, and, of course, the crucial area of compensation. Development of people must always remain a top priority.

The perception of HR teams worldwide is still seen as administrative- and service-driven but KOC HR have been asking 'for a seat at the table' and to be taken seriously as a key contributor and partner to the overall direction and mission of the company. The Kuwait Digest met recently with Nabil Al-Kharji, KOC Human Resources Group Team Leader, Compensation to focus on these very important but perhaps little known areas of development, that is, the creation of an up-to-date KOC HR Strategy-vision, mission and values.

"We want other line departments and department groups at KOC," says Nabil Al-Kharji, KOC Human Resources Group Team Leader, Compensation "to look at us as a strategic business partner—all our functions and responsibilities are towards the core business itself. In the end, this service should satisfy employee needs whether in policies, procedures or rewards. We recognize people for performance-based service compared to other oil companies as well as Kuwait labor laws. We are a partner, and we want others to see this as well. We strive to be transparent; we also put the art of listening as another priority."

"We are trying to be transparent regarding policies, administrative



procedures, and regulations," explains Al-Kharji, "and to update and review them in order to meet employee needs through the KOC Postmaster and HR – they are the most important area of focus today."

"Second, using our systems," he continues, "we are trying to make our work automatically accessible. Moreover, we are trying to listen to our core business areas. Let me explain. For our customers, our company and our employees, we need to listen, to be flexible enough in our attitude to hear what people really need, their real requirements for now, and in the future."

"We are also really trying to focus on the future," Al-Kharji continues, "and to read between the lines to meet people's expectations. Creativity and compensation don't seem to mix, and yet we have to take very seriously how our current procedures affect other people, and to see if we need to change course, to lead in a new direction, if you will. Unfortunately, we are limited to some extent by KPC rules and regulations, for instance, whether there are changes in KOC business strategy where we might meet some challenges with IOCs in a competitive marketplace."

Flexibility and creativity remain crucial

Al-Kharji relaxes in his chair as he explains in detail how this works: "We can take several different approaches. From time-to-time, we can review, monitor, and participate if there is a need to review KOC salaries and allowance packages, for example, and take these concerns to KPC - at anytime. During the last two years, all the 'K' companies have reviewed all the policies and procedures but it doesn't mean, however, that certain KOC policies and procedures cannot be modified such as promotions, incentives, spot bonuses, annual salary review with its appraisal system, salary surveys at the international level, group life insurance, living benefits for Kuwaitis and non-Kuwaitis, social insurance contributions, and the KPC Complementary Fund for Kuwaitis."

He continues: "Every 6 months, we meet with our colleagues, major HR people in the oil companies around the world–ADNOC, BP, ARAMCO etc. We are updated with information that enhances our knowledge, major policy changes, and procedures setting up sub-committees and surveys (Mercer), for example. The KOC IPTC Conference in 2008 will be important conference regarding international compensation. We also keep in touch with industry news and published research."

"We are living 'out-of-the-box' and forecasting the future is part of the challenges we face," concludes Al-Kharji. "We work together with KOC recruitment team but they still remain a separate entity working alongside us. Where we can really be effective is to be involved in performance management and allowance systems where we can possibly introduce more specific systems that reflect the real changing cost of living, accommodation, and staff retention – all these indicators and studies can be reviewed in advance since the international oil sector continues to be so important."

Nabil Al-Kharij joined KOC after Liberation in 1992. He began as a UD from Kuwait University with a major in economics and a minor in management sciences – it is a demanding yet communicative role in dealing with people and money. KOC has a new reception area where employees can find a place to relax and a place of transition from the hurly-burly of work to a place set aside to talk about the crucial issues of compensation.



Hanan Saleh Ashkanani
Chief Analyst, Compensation
Human Resources Group

As a KOC Chief Analyst, Compensation, Human Resources Group, Hanan Saleh Ashkanani has 13 year's experience in two vital areas, compensation and benefits. Ashkanani and her team are responsible for salary administration, incentive programs, various HR studies on best practice systems as well as monitoring policies and procedures. "KOC has various bonus systems," remarks Ashkanani, "such as an incentive program held twice a year, year-round spot bonuses, the Share-in-Success oil program, yearly Standards of Performance appraisal plus the Chairman's special KOC award. Appropriate criteria are fed into the system. The team also monitors checks and balances on the system against current rules and regulations." Hanan Ashkanani has a BA in Accounting from Kuwait University.



Mohammed Al-Hajiri
Chief Analyst, Compensation
Human Resources Group

As a KOC Chief Analyst, Compensation, Human Resources Group, Mohammed Al-Hajiri and his team are responsible for employee benefits, promotions, salary advance, annual policy, and correspondence. "Compensation has been transformed by the computer," says Al-Hajiri. "We used to do everything manually now we do everything through an ORACLE system. We can plug in an employee number and the system will calculate everything within minutes. Entitlements and money are crucial to everyone, and we try to meet people's expectations." Mohammed Al-Hajiri joined KOC in 1975 as Personnel Officer in Personnel Department and, in 1993, he moved to KOC Compensation Team.

Up-to-date Geosteering Presentation meets with Success in the land of the pharaohs

In late 2005 it was a first-time ever success story using two real-time images at the same time to capture crucial data in the Kuwait Oil Company drilling operations. KOC's Ashis Kumar Gohain, Drilling Engineer, Drilling Operations Group and Nayef Abdullah Al-Anzi, Team Leader, Drilling and Workover IV, and Schlumberger's Ekpo Archibong presented their latest findings—on geosteering in Kuwait's Umm Gudair field with simultaneous real time image logs on density and resistivity*—at the SPE/IADC Middle East Drilling Technology Conference & Exhibition held in Cairo, Egypt on 22-24 October, 2007.

Achieving production growth continues to depend on the international energy industry's response to a number of related issues including the timeless challenge of technology, manpower and creativity. For Naef Al-Anzi, Team Leader, Drilling Operations and Workover IV, "In the final analysis, it's not about drilling at all but rather about communication, and whether you have built a team that is interdependent, trustworthy, performance-driven, and accountable. We have drilled seven wells horizontally this past year, with more to come, but whatever the challenge, it all boils down to communication between seven different people with seven different functions focused on one ultimate target—the success of the project."

The conference provided a great opportunity for producers, drilling contractors, and service company professionals to discuss the way forward. More specifically, the focus of this KOC/Schlumberger project was to drain oil from the undrained northern flank of west Umm Gudair and it was here that KOC decided to drill UG-132H, an open-hole horizontal producer, rather than an abandoned well. Located in the northern flank of Umm Gudair, UG-132H was strategically placed approximately 450 m. west of the abandoned well and the lateral drain-hole objective was achieved: to keep the well at a minimum of 65 feet above the oil/water contact.



Left to Right: **Ekpo Archibong** (Schlumberger LWD Interpretation/ Well Placement), **Emad Abdul Hadi** (Sr. Tool Pusher, KOC), **Nayef Al-Anzi** (TL, KOC) and **Ashis Kumar Gohain** (Drilling Engineer, KOC)

Casing programs, drilling tools, services and teamwork—all carefully selected—were needed to keep on target. The KOC team used a combination of systems: an advanced, proprietary, rotary steerable system, a Logging-While-Drilling (LWD) imaging technology, and geosteering services to properly place the well within the reservoir. The steerable system brought excellent results; it enabled the smooth timely drilling of the drain hole resulting in a smooth, in-gauge borehole, which, in turn, provided a favourable environment to acquire quality real-time images for accurate, structural dip determination and well placement.

This presentation focused on a number of key issues: (1) it focused on the well profile plus the benefits of the advanced, rotary steerable system for the long drain-hole section; (2) it highlighted the complementary relationship between density and resistivity images—transmitting them both in real time—to enable engineers to make accurate steering decisions; and (3) it showed how useful LWD images were in characterizing the different faces within the reservoir.

What's Geosteering?

In mature areas, engineers may use geosteering to keep a wellbore in a particular section of a reservoir in order to minimize water or gas breakthrough while, at the same time, maximizing the well's economic production.

'Geosteering in Umm Gudair Field with Simultaneous Density and Resistivity Images in Real Time' was presented at the SPE/IADC Middle East Drilling Technology Conference & Exhibition. Contributors were: Ashis Kumar Gohain and Nayef Abdullah Al-Anzi, KOC as well as Ekpo Ita Archibong and Waleed Ahmed Jawad from Schlumberger.

**Resistivity measures the resistivity of the formation; it is a log taken across the drilled formation. Basically Resistivity is understood as the resistance of the flow of electric current, which differs from formation to formation.*



Twenty20 Cricket

frenzy draws international crowd to **KOC's world-class Ahmadi cricket grounds**

Oman and Afghanistan ended up in a tie –rarely seen in a cricket final—for the inaugural Twenty20 in Ahmadi Kuwait after a thrilling final before a packed crowd of approximately 3,000 cricket fans. It was a fantastic and electrifying finale to an exciting week of cricket held from 25 October to 2 November, 2007. Tents and roads were absolutely jammed with cars - never seen before in Ahamdi for such an event. Kuwait finished third losing out narrowly in the semi-finals.

The Twenty20 World Cup format, launched in South Africa, began four years with the England and Wales Cricket Board as a competition for its country teams. The format, in which each team has a single inning of 20 six-ball overs is designed to maximize moments of greatest excitement such as a diving stop, a six-hot or close call, and continues to attract attention–especially here in Kuwait where the KOC pioneered the sport more than 5 decades ago in Ahmadi town.

Mohd. Iqbal Vanoo, KOC Senior Engineer, Technical & Support Services, Warehouse Team, General Secretary, KOC Cricket Committee, and event manager for the ICC Twenty20 KOC cricket event (with Kuwait as host country) describes events: "10 countries including Saudi Arabia, UAE, Oman, Qatar, Kuwait, Nepal, Malaysia, Singapore, Hong Kong, and Afghanistan participated. The Kuwait Cricket Association organized the tournament but the event itself took place in Ahmadi with facilities provided by KOC Community Services Team. This is the fourth international tournament conducted in Ahmadi. Kuwait conducted the first-ever tournament for the Asia Cricket Council even for test-match playing countries in Asia itself."

Maqbool H. M. Yousuf Al-Lawati, Vice Chairman, Oman Cricket Club, sitting on the front line of the VIP tent, comments: "Dreams bring communities together and that's what they've done in Oman with approximately 45 company-run cricket teams and 150 Omani players. Lots of people including the government bring time and effort to the sport. I love cricket: I've been playing it since I was a kid."

"Every year, we conduct 20 tournaments for KOC employees," concludes Mohd. Iqbal Vanoo, "oil sector employees and school-age students as well as corporate and financial institutions in Kuwait. Thanks to Ahmadi Services two cricket grounds with their adjacent facilities, which are top-rated anywhere in the Middle East. Ahmadi grounds continue to be maintained by KOC and Ahmadi remains the hub for cricket in Kuwait."





VIPs included Ray Mali, President, International Cricket Council (ICC), Jayantha Dharmadasa, President, Asian Cricket Council (ACC) & Chairman, Sri Lanka Cricket Board, Dr. Nasim Ashraf, Chairman, Pakistan Cricket Board, Major General Sina Ibn Jamali, President, Bangladesh Cricket Board, HE Shahzada Masoud, Sports Minister, Afghanistan & President, Afghanistan Cricket Association, Syed Ashraful Huq, CEO, Asian Cricket Council, Mahmudur Rahman, CEO, Bangladesh Cricket Board, Sohail Murshed, Hong Kong Cricket Association, Chairman, International Committee.

Kuwait Cricket Association is an associate member of the International Cricket Council and falls under the umbrella of the Olympic Council of Asia in Kuwait. M.M. Asad Baig, Deputy Chief Executive, Chairman International Affairs, Kuwait Cricket Association attended.

High Level Delegate of the CABC Received by Mazen Al-Sardi DMD Technical Services



Mazen Al-Sardi DMD Technical Services wellcoming delegates of CABC



KOC delegates included Mazan Al-Sardi, DMD Technical Services, Ibrahim Faraj Jasem, Team Leader, Contracts II, Jasser Al-Jasser, Manager, Commercial Affairs and Farid Elsayed, Senior Engineer, Contracts II.
The Canada-Arab Business Council delegation included Brian Hood, Commercial Counselor, Trade Commissioner Service, Government of Canada; Hon. P.C. Gar Knutson, Lawyer, Borden Ladner Gervais LLP; James S. Kinnear, President, Pengrowth Management Limited; Dwain M. Lingenfelter, Vice-President, Government Relations, Nexen Inc. and Chairman and CEO, Canada-Arab Business Council; Norman S. Morrison, Trade Engineer, Energy Industries and Services Branch, International, Intergovernmental and Aboriginal Relations, Province of Alberta, Canada; Charles V. Selby, Vice-President and Corporate Secretary, Pengrowth Corporation; Sandra L. LeBlanc, Vice-President, Corporate Development, Burj Petroleum and Vice-President of the Canada-Arab Business Council; P. Satish Ramiengar, Project Manager, SNC-Lavalin, UK.; and Ronald Denom, President, SNC-Lavalin International. The Canadian Minister of International Trade was also part of this delegation.

Dwain Lingenfelter Chairman and CEO of the CABC lead the honored business development mission in Kuwait, UAE and Saudi Arabia. The Business development mission brought to the host countries a wide range of Canadian firms in many sectors presented by a group of over twenty of Canada's leading business executives. The Honourable David L Emerson, Minister of International Trade and Minister for the Pacific Gateway – demonstrating the support of the Government of Canada and the importance attached to Canada's economic and commercial connections with the three gulf states; Kuwait, UAE and Saudi Arabia - has co-lead the group of the mission in a later stage of its visit the region.

Mazen Al-Sardi DMD Technical Services in his words addressed and highlighted to the CABC delegations future challenges KOC faces such as the EOR, Heavy Oil and Gas hoping that the Canadian firms Shall participate in KOC future projects to enable KOC meets those challenges.

"We would like to see the advanced Technology and the integration of new systems the companies possess in KOC, we would like to see them here in the near future. What we have started today is one step in the right direction. "We are looking forward to having more communication on such high level of delegates" Al-Sardi added.

Al-Sardi Concluded that with the support of the Trade Commission and the Canadian Embassy in Kuwait, long lasting successful business relation can

be built between KOC and leading companies from Across Canada.

Ibrahim A. Faraj TL Contracts II, the organizer of the gathering, explained "Supported by KOC management vision to explore new horizons, to explore best technology in the oil and gas industry, the Commercial affairs Group took the initiative by outreaching the International Companies known for its skills utilizing non-traditional Commercial approach. I believe that the successful meeting with CABC delegate shall be a step forward in the Commercial Group renewed commitment to introduce the latest technology in the oil industry to achieve KOC ambitious goals and strategy. This gathering started with British, French and now with Canadian firms and will continue in future with other firms that are known for their latest technology in the oil and gas".

"KOC is a relatively new but important client to our operations'. Ronald Denom President, SNC-Lavalin International said.

"The Government of Alberta was part of the current Canadian Trade delegation to KOC. We are eager to do business with Kuwait and I shall discuss business between KOC and Alberta Companies upon my return to Canada" said Norman Morris, Energy Industries and Services Branch, the Government of Alberta spokesman.

The Canada-Arab Business Council (CABC) delegation to KOC was headed by Brian Hood, the Commercial Counselor, Trade Commissioner Services Government of Canada.

The Canada-Arab Business Council (CABC) is a chartered, non-profit Canadian organization formed in 1983 to promote two-way business with its counterparts in the Mid-East and North Africa, by promoting trade, leading missions, hosting incoming delegations to Canada, and assisting members in their trade and investment activities.

Canadian Commercial Circle (CCC)

By **Masouma Nasser**
Chief Multimedia Officer

A non profit organization established in partnership with the Canadian Embassy- Kuwait brings together the Canadian business interested in the region and the Kuwaiti and regional business communities.

Also, CCC promotes its values and goals in this region through providing networking opportunities and organizing conferences to exchange information among its members.



CCC President handing a thank you token to Al-Asfour



H.E. the Ambassador of Canada to Kuwait Mr. Danis L. Thibault 2nd right - Faisal Al-Asfour M. Planning Group - CCC President Mr. Antoine Naoum 2nd left - Masouma Nasser Chief Multimedia Officer, 1st right Farid Elsayed CCC Member

Mr. Faisal Al-Asfour (Manager, Planning Group) represented KOC "as one of the few world leaders in the Hydrocarbon industry" on the occasion of Canadian Commercial Circle "CCC" event held on 30 October, 2007 in the Canadian Embassy in Kuwait. The Company's continuous efforts and awareness campaign to introduce its mission and interactive rule in the society by reaching out to the public, the international communities and honorable business groups were the prime focus of this presentation.

On this important occasion, KOC Representative Speaker Mr. Al-Asfour was received and welcomed in the presence of His Excellency, the Ambassador of Canada to Kuwait, Mr. Denis L. Thibault by the CCC President Mr. Antoine Naoum, members of the CCC and the audience.

Introducing a breathtaking presentation, Mr. Al-Asfour took the audience on a memorable journey across the numerous highlights on the structure of the KPC, the history of KOC, mission and vision, together with current and future challenges.

The presentation began with the year of 1934, wherein BP and Chevron established the Company and passed by with the historical challenges that KOC had to face, its emergence and growth as one of the leading companies of Kuwait which explores, develops and produces marketable hydrocarbon in the gulf region.

Moreover, Mr. Al-Asfour pointed out different angles of KOC 2020 strategy crowned by the production of four million barrels of oil per day by the year of 2020. Key issues such as production of heavy oil, gas, safety of employees and the public, health, the environment, and sponsoring of social and charity activities in the State of Kuwait were addressed by the speaker as one of the important plans of KOC and its adoption in the 2020 strategy.

Upon answering questions raised by the audience, Mr. Al-Asfour received a valuable Canadian book about Canada from CCC President Mr. Antoine Naoum.

How to beat seasonal influenza before it starts



Dr. Taysir Al-Asi
Head of Preventive Medicine and Occupational Health

Influenza A viruses have undergone major genetic changes, mainly in their H-component, which swept the world with death and disease in three pandemics during the 20th-century when 40 million people died from the Spanish flu in 1918-1919 —the most famous of the three—and more recently, the Asian and the Hong Kong flu, which took place in 1957 and 1968.

In the 21st-century, a new influenza, transmitted directly from birds to humans, arrived with limited outbreaks of subtype A (H5N1), which, importantly, cannot be transmitted from person-to-person as seasonal human influenza can.

How do people especially young children, people with chronic health conditions as well as the elderly protect themselves from the latest bout of flu, pneumonia, or even death? According to Dr. Taysir Al-Asi, Head of Preventive Medicine and Occupational Health, Ahmadi Hospital, October to December is the best time to be vaccinated but later vaccinations can also be beneficial because they can reduce health care costs as well as time lost on the job.

What is influenza and how is it transmitted?

There are, at least, two sides to every story. The bad news is that the influenza virus, which is a viral infection, takes 1-4 days to develop flu symptoms, which means that someone suffering from the flu can infect others for more than a week - 1 day prior to developing symptoms themselves (when a person still feels well) until 7 days afterwards (when they remain ill). The good news is that nearly everyone recovers in 1-2 weeks without medical help.

Influenza attacks the upper respiratory tract, nose, throat, bronchi and occasionally the lungs causing mild to severe illness—and, according to Dr. Taysir Al-Asi, the best way to stop influenza is to get an influenza vaccination every year. Unfortunately it is still easy to transmit the virus, however; coughing or sneezing transmits droplets and small particles through the air onto people as well as objects, which is why it is so important to wash hands thoroughly and often especially in school and office environments during the winter.

Types of influenza

In general there are three types of influenza virus, Type A, B, and C. **Type A**, the most common virus, causes the most serious epidemics infecting many species including humans. **Type B** can cause epidemics but, generally, only humans are infected and less severely; **Type C** with its milder symptoms infect humans as well as swine but are not linked to epidemics.

The most common flu viruses that affect humans are Group A and B. Influenza A has 2 subtypes important to humans—A (H_3N_2) currently associated with most deaths in humans and A (H_1N_1).

How to stop germs in their tracks: Dr. Taysir recommends

Dr. Taysir Al-Asi recommends that the best way to prevent seasonal flu is to get vaccinated each year. Also, Dr. Taysir recommends 6 or more personal habits to follow:

1. **Avoid Close Contact**
   When you are sick, keep your distance from others to protect them from getting sick too.
2. **Stay Home When You Are Sick**
   If possible, stay away from school, work or errands to prevent other people from catching the flu.
3. **Use Disposable Tissues**
   When coughing or sneezing, use a tissue to cover your mouth and nose then drop the disposable tissue in the waste basket to prevent spreading the disease.
4. **Wash your Hands**
   Wash your hands with soap and warm water for 20 seconds, or use alcohol-based hand cleaner.
5. **Develop new Health Habits:**
   Avoid Touching your Eyes, Nose and Mouth. Germs can spread to your face when you touch something contaminated with germs.
6. **Practice Other Good Health Habits**
   Of course, other good health habits are important including getting plenty of sleep, keeping in shape, managing your stress levels, drinking plenty of fluids, eating nutritious food, and stopping smoking as it decreases immunity against disease while it increases the possibility of complications.

Knee Replacement
brings relief to dozens of Kuwaiti patients

To find out more about what's involved in the latest joint replacement and whether this kind of surgery is right for you—right here at Ahmadi Hospital—the Kuwaiti Digest talked briefly with Dr. Essam Zaher, Consultant, Orthopedic Surgeon and Head of Orthopedic Unit, Ahmadi Hospital.

Total knee replacement is now one of the world's leading orthopedic operations, and it promises to become even more popular in Kuwait, according to Dr. Essam Zaher, as Kuwait's population ages and the body's most vulnerable joints, that is, the knees as well as the hips, fail to withstand years of debilitating wear-and-tear arthritis. Knee replacement surgery, known as total knee arthroplasty (ARTH-ro-plas-tee) for severely diseased knee joints, can help people walk again with comfort and stay active in their later years, after years of sitting on the sidelines. Importantly, these operations can be done right here at Ahmadi Hospital because everything is here—top-notch surgeons who are completely abreast of the latest developments in joint replacement therapy plus state-of-the-art equipment also used in the best European hospitals abroad.

Meet Dr. Esam at the Arthroplasty Clinic

To find out more about your own treatment, you can meet Dr. Essam Zaher at the clinic to learn about his recommendations after you have been referred by your own local doctor. Once the operation itself is a distant memory, Dr. Essam encourages his patients to begin to change their lifestyle. Sometimes, three or four patients meet together for physiotherapy; the Joint Replacement Club gives them added peace-of-mind.

Ahmadi's Orthopedic Team

There's a specialized team of surgeons, nurses and physiotherapists trained to provide a holistic approach. A preoperative education session with Ahmadi physiotherapists answers patient concerns and reduces their fears. Importantly, the team works together with their patients to increase patient's muscle power and range of motion. Day 2 after the operation, the physiotherapists revisit their patients for post-operative sessions then every day after that for 10-14 consecutive days. Top-notch physiotherapy treatment doesn't end here. Former hospital patients continue to work alongside their physiotherapist as outpatients for approximately two more weeks of treatment.

SMALL Testimonial



Timing was Right

Pushkar.M-Tiwari
Staff Nurse, Ahmadi Hospital

Pushkar.M-Tiwari has always been a man-on-the-move either in his work or in his garden but unfortunately, over the years, Tiwari has suffered from an advanced case of osteoarthritis. And so, in his 50s, he decided to have both knees replaced.

"Because I am a staff nurse at Ahmadi Hospital," he says, "I took the opportunity to view first-hand other joint replacement operations before I decided to have a 5-hour, bi-lateral, joint replacement for my own knees in mid-July 2007."

"Once my decision was made 'to go for it'," he explains, "nothing could hold me back—I put my faith in God and in Dr. Essam's training. Once the first few painful, post-operative days were behind me, I continued to feel better day-by-day. I used to walk with a stick, but now, I can drive, climb stairs, and go shopping again."

Footnotes: *An artificial joint (prosthesis) made of metal alloys, high-grade plastics and polymers in knee joint replacement surgery, for example, replaces cartilage and bone, which is damaged from disease or aging. Ahmadi Hospital orthopedic physiotherapist team includes four women and men.*

'You Can Make a Difference' eco-event makes a difference at Abu-Halifa

'Life is a beach' so the saying goes but it's only a real beach for R&R when you can find a clean strip of sand to relax upon. According to KOC Captain Khalid Al-Ahmad, it remains imperative for everyone to permanently catch the spirit of 'You Can Make a Difference'. Al-Ahmad says: "When everyone joins hands from one country to another, from one beach to another, from one friend to another, their combined efforts can do the job, and in the process, create a deep-seated culture of cleanliness and love of nature every day and forever."

What was so exciting about the 'You Can Make a Difference' project was the fact that other similar beach events took place simultaneously across Bahrain, Qatar, UAE and Oman. As part of the wider Gulf marine environment cleaning project, KOC organized a 4-hour cleanup at Abu-Halifa Beach on 8 November, 2007. The Kuwait Autism Center plus a number of special needs schools participated in this special environmental event supervised by KOC and the Emirates Diving Association (EDA), an affiliate of UN Environment Program (UNEP), and an accredited non-profit voluntary organization. KOC Dive Team was the first oil industry dive team to join forces with the Emirates Diving Association.

Speaking on the sidelines of this first-ever campaign, campaign supervisor and head of KOC Marine Operations, Captain Khalid Al-Ahmad said that "last week, we filled up 50 bags of plastic bottles, ropes & nets, and paper from the shoreline inside Mina Ahmadi itself. A special clean-up day should be set aside every year to focus on keeping our environment clean. This is, in fact, a message to the whole world."



Oil Companies International Marine Forum (OCIMF) Voice of the oil industry in marine safety and quality standards meets in Kuwait



Do you remember the story of the tanker Torrey Canyon, which went aground on 18 March, 1967 spilling thousands of tons of crude oil? She left Mina Al-Ahmadi in Kuwait on her final voyage in early February 1967 with a full cargo but enroute from the Canary Islands disaster struck when the Torrey Canyon hit Pollard's Rock off the west coast of England. The first of the big supertankers, Torrey Canyon was capable of carrying 120,000 tons of crude oil, and in response to increasing public pressure on marine pollution—particularly by oil after the Torrey Canyon environmental disaster, OCIMF London was launched in 1970.

OCIMF, a voluntary association of 60 oil companies including KOC, is focused on marine terminals and crude oil transportation, products, gas, and chemicals making them a safer place today. KOC is a member of the Executive Committee and Ports & Terminals Committee: Ex KOC Manager, Export & Marine Operations Group, Ahmad Al-Rasheed (DMD-West Kuwait) is on the Executive Committee (EC) and KOC Team Leader, Marine Operations, Captain Khalid Ibrahim Al-Ahmad is involved in the current Ports & Terminals Committee (PTC). OCIMF is a consultant to the International Maritime Organisation (IMO). For the first time this year, in November 2007, KOC hosted this special PTC meeting at the Hilton Resort Kuwait.

Our Digest on-the-spot-reporter caught up with Captain Robert Frankland on the eve of his retirement as Committee Chairman to talk briefly about his international experiences: "This is the first time I have seen, first-hand, how proud the manager and team leader are about KOC and the State of Kuwait."

Frankland continues: "OCIM publications are often the only major publications that come out under these important categories. For example, a lot of industry people know The International Safety Guide for Oil Tankers and Terminals. It's the bible of the industry and is produced by these committees and sub-committees. In 2004, the 'Minimum Base-Line Criteria for Terminals' publication came out: it's basically a check list/guide on how to safely manage a terminal."

The Sakhalin Project Captain Frankland sets sail

Captain Frankland gives us a sense of his life at sea: "I went off to sea as a deck cadet at 16 years old. I became a captain at 32 and have been with Mobil ever since—for 33 years. I have worked my way up to Chief Officer and Master on tankers. I came ashore when I was 34 working as Superintendent looking after ship operations. I got involved with organizations such as OCIM - doing a lot of project work for marine terminals, a bit like doing airline terminals - with a twist, finding locations, designs and operational aspects."

"The military/nautical supplement just completed," Frankland says, "was the Sakhalin Project in eastern Russia-that was huge. It became involved in 2002 when we took a full-scale tanker up the Tartar Strait with two ice-breakers in a series of



winter trials so we could see first-hand how to construct our shuttle tankers, what speeds we could safely operate, tactics with ice-breakers, and procedures – all partly my responsibility."

Captain Frankland concludes: "I spent a lot of time working with Russian organizations such as the Arctic/Antarctic Research Institute, the Ministry of Defense and Transport for permission regarding marine operations. Together with civil engineers, development and nautical people, we looked at the plans from start to finish including what kinds of terminals we needed in these conditions. Sakhalin has been exporting 150,000 barrels of oil per day for a year now. Currently I am the Vetting Manager for ExxonMobil looking after the quality of third-party ships."

Health & Environment top priority at KOC

Clean Production Concept vital



Dhari H. Al-Gharabally
TL, Health & Environment
Health, Safety & Environment Group

We begin our discussion with Dhari Al-Gharabally, Team Leader, Health & Environment, HSE Group, focused on what the KOC believes about health and the environment, which comprises air, water and the land. "We always put KOC annual targets into action by studying the impact on employee health," says Dhari Al-Gharabally, "and we put counter measures or preventative measures into play. Health, of course, comprises any external aspects that effect employee health including, but not limited to, noise levels at work, for example, gas levels at the worksite, personnel protective equipment, ergonomics, RSI, and long-term health."

Al-Gharabally joined KOC in 1997 as an environmental engineer in KOC Conservation and Environmental division. According to Al-Gharabally, he learned everything about the oil industry offshore and onshore from the ground up–exploration, drilling, booster stations, and transportation as well as environmental issues within this particular field which is how and where the oil business impacts directly on issues of air, land and water. From 2000-2003, he was also group planning coordinator, which gave him a panoramic view of KOC's entire operations and knowledge of certain technical issues.

Clean Production Concept

"Traditionally in the oil industry," begins Dari Al-Gharabally, "the concept of 'operations' had priority over everything else and the concept of 'safety' was only numbers-driven. Times changed during the mid-1990s and with it the approach to these crucial concepts – value was attached to health, safety and environment from a multidisciplinary and integrated approach to the entire field. For example, with Clean Production (CP), for instance, plays a vital role and philosophy as operations itself. They have now become strategic partners in the business of producing oil & gas. Win/win is now the name of the game: production and profits are in and so are health and the environment."

Al-Gharabally explains: "Gathering Centers are one good example; over time smokeless flaring was introduced as an excellent short-term end-of-pipe waste solution but not a Clean Production process solution. Eliminating the waste stream itself in the actual process itself is the best solution from an environmental point-of-view. Here is a model, even a way of life, that you implement on a facility and, in the end, produces a clean work environment for every employee."

In 2008, KOC will begin work on oil lakes, acquifers and earthwork baked by the oil fires into Tarcrete.





UN, Land Pollution and Oil Lakes

"Small, medium, and large oil lakes remain highly visible from the air when you fly into Kuwait International Airport. What is the KOC planning to do about this in 2008?" asks the Kuwaiti Digest.





"The oil lakes that you see from the air can be broken down into two main parts," says Dhari Al-Gharabally. "Part of the oil lakes is remnants of the wars while the other part is due to KOC operations. Sometimes, oil leaks have been collected together. The State of Kuwait has been allocated a significant amount of money (approximately US$3 billion) by the UN to fix our environment as part of the wider repatriation agreement. As part of this agreement, KOC did not touch these particular areas until a proper program was established in co-ordination with the United Nations. PAAC (Public Authority for Assessment of Compensation) acts as mediators between the UN, the State of Kuwait and the Kuwait Oil Company, and KOC has been working very closely with them on this very important issue."

He continues: "In fact, we have been working together for several years in order to create the best program to satisfy UN criteria, use these funds properly and most importantly reconstruct our land."

"In December 2003," he explains, "a Consortium of International Consultants (CIC) completed excavation trials as a part of the program to monitor and assess environmental consequences of the Iraq war in Kuwait. Field demonstration trials assessed methods for excavation and handling of excavated oil contaminated materials to support the development of the cost estimate, estimated excavation of uncontaminated soil that inevitably happens when contaminated soil is removed, determined the width and depth of the oil lakes themselves, determined the physical and chemical characteristics of the oil and the soils in the lakes, and characterized how much potable and economically important groundwater supplies were contaminated. The estimated amount for all types of contamination was approximately 61 million (m^3) and categorized into dry and wet oil contamination, oil-contaminated piles, Tarcrete plus oil trenches and associated oil spills."

"I am happy to say," says Al-Gharabally, "that we are in the final stages of discussion, and in 2008, we will begin real earthwork on soil that has literally been baked by the oil fires into Tarcrete as well as the oil lakes and aquifers themselves."

"Over the next 8-10 years," he continues, "we plan to repair all the land affected with several technologies. As the technical authority at KOC, we will be working very closely with PAAC regarding data surrounding the number of oil lakes, their size, location (using GIS) and the particular extent of damages as well as ensuring that we benchmark all up-and-coming deadlines. Khalid Ali Al-Sumaiti, DMD (Exploration & Production Development) and Mohammed Al-Fodari, Manager (Health, Safety & Environment) will be our spokesmen.

"Two weeks ago, we began to focus on contaminated soil due to KOC operations," concludes Al-Gharabally. "KOC is working alongside AMEC Earth and Environment to provide a scope of work over a four-month period to give us a detailed picture of what we face, by quantifying, analyzing, providing best methods for dealing with this challenge, and then ending with a tender so we can release it to the market. Personally speaking, for a moment, I am very lucky to be part of this team at this moment to leave a legacy for generations to come. I majored in atmospheric and environmental sciences in a five-year program in the US, which ultimately translates into a weatherman and an environmentalist at the same time."

Ultimately, however, health and environment is everyone's responsibility at the Kuwait Oil Company.



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