



Committed to Sustainable Development

Annual Report
2019





وزارة النفط والغاز

Ministry of Oil & Gas

The Directorate General of Planning and Studies
Department of Planning and Follow-up



"During the past two decades, we have strived with full determination to develop the well-studied plans and programmes to develop the Omani economy, diversify the sources of national income in order to gradually reduce dependence on oil as a primary source of income. Many tangible positive achievements were made in this regard, in agriculture, industry, trade and services. However, it is true that achieving radical and effective changes in this area cannot be achieved in a short time but rather requires long time and steady efforts. Over the past period, we have made steady strides towards achieving our goals."

Quotes of Late His Majesty Sultan Qaboos bin Said - May Allah rest his soul in heavens
23rd National Day - 18 November, 1993



"The trust thrust on our shoulders and the resultant immense responsibilities require us all to work together for the sake of our country's magnificence, with a persistent resolve to promote it to the loftiest levels. This cannot be realized without your support and cooperation and combination of all efforts to achieve the desired supreme national goal. Your contribution to enrich all efforts of progress, development and prosperity will be highly appreciated."

Quotes of His Majesty Sultan Haitham bin Tarik from his speech on assuming power on 11 January, 2020

FOREWORD



Mohammad bin Hamad Al Rumhy
Minister of Oil & Gas, Sultanate of Oman

In the name of Allah, Most Gracious, Most Merciful, and Peace be upon His Prophet Mohammed, upon his family and companions.

On 10th January of 2020, as you know, Oman bid farewell to our beloved father and leader, the architect of the modern Renaissance, 'the dearest and the purest' man of Oman 'His Majesty Sultan Qaboos bin Said bin Taimur', may Allah rest his soul in Paradise. He left us after a 50-year journey dedicated to the building of Oman, May Allah have mercy on him. While he is no longer here with us, his memories will be vivid in our hearts and minds not only for what he achieved at the national level, for society and the Omani people, but also for what he accomplished at the international level and ensuring a place for Oman amongst the nations of the world.

Our consolation as good citizens is in our pure and profound belief in the will of Allah, the Almighty, and we believe that His Majesty Sultan Haitham bin Tarik - may Allah protect him - will be the best successor to his predecessor, follow the footsteps of the Late Sultan, and build on his achievements to ensure Oman achieves the prestigious position for which Sultan Qaboos had always worked and dedicated his life for.

As for the energy sector, with the blessings of Allah, we accomplished the objectives and met the expectations as desired and planned for by the Government of Oman in 2019. We continued leveraging our natural resources by focusing on ensuring the optimum utilization of our financial and human resources as well as modern technologies in the fields of exploration, production, transportation, exports, refining, petrochemicals and other oil and gas-based industries. Many significant achievements were also made in the electricity and renewable energy sector.

The Sultanate's production capacity of oil and condensates now stands at about 1 million barrels per day for many years to come. Oman also produces about 120 million cubic

meters per day of natural gas depending on demand. The Sultanate's reserves of oil and gas are increasing due to the success in new discoveries and enhancement of production from the existing oil and gas fields. The report sheds light on the most important projects carried out by oil and gas companies at an estimated cost of billions of US dollars. The number of national and international companies operating in the 39 oil concession areas now stands at 18. The report also covers the electricity, renewable energy and related projects.

The success achieved in this sector will enable other sectors to enhance integration and economic diversification in the country with an emphasis on maximizing the In Country Value (ICV) through training and employment of the national workforce, promoting local industries and enabling small and medium enterprises (SMEs) to participate in providing various services and qualifying some of them for technical and specialised work.

Among the important projects in the sector that entered into operations is the "Rabab Harweel Integrated" project, which will add more than 500 million barrels of oil equivalent to the reserves. The sector is also in alignment with Oman Vision 2040 aimed at economic diversification efforts. Commercial operations of the Dhofar Wind Energy Project have already started in November 2019 as one of the major renewable energy projects in the Sultanate today. The project is expected to produce 50 megawatts to meet the electricity needs of about 16,000 homes in the Dhofar Governorate. The project is part of the efforts to benefit from other natural sources of renewable energy available in the Sultanate to ensure sustainable sources of energy, good prospects for employment in this segment, a clean environment free from pollution and reduction of global warming, with the added aim of reducing the use of natural gas in electricity production and making use of this gas in other projects that benefit the Omani economy and contributes to its diversification. We hope that oil, gas and electricity sectors' operations will continue to grow and support the objectives.

INTRODUCTION

The role of the Ministry of Oil and Gas focuses on a number of areas in the oil and gas sector. The most important among them is in the exploration area offering concession areas to local and foreign companies, promoting investments in the sector, providing technical support and encouraging companies to explore in the offshore and onshore areas. The Ministry of Oil and Gas has been also mandated with the task of supervising the electricity and renewable energy sector. As per this mandate, the Ministry of Oil and Gas is now responsible for developing the policies and regulatory frameworks for the electricity and renewable energy. It is also in charge of following up the performance and efficiency of the sector in general.

This Annual Report showcases the most notable achievements and developments in the oil & gas sector in 2019, as follows:

The companies operating in exploration and production carried out a number of seismic surveys in the concession areas, which covered more than 19,000 KM². 94 exploration and appraisal wells have been drilled and tested in 2019, adding new oil and gas reserves hence maintaining the current production levels.

As for the reserve indicators, it should be noted that the Sultanate's expected crude oil and condensate reserves as of the end of 2019 stood at about 4842.71 million barrels. The natural gas reserves as of the end of 2019 stood at 23.8 trillion cubic feet.

Five new oil agreements have been signed with a number of local and international companies. The value of investments in the first phase is about \$115 million.

The crude oil and condensate exports grew by 7% in 2019 compared to 2018 (310 million barrels in 2019 compared to 289 million barrels in 2018). China topped the list of importers of Omani oil in 2019 with a 78%.

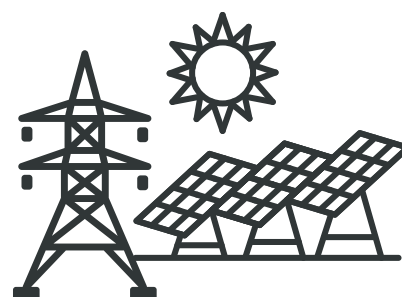
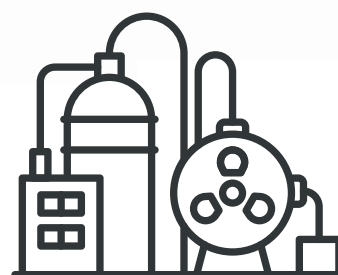
In order to provide employment opportunities for Omanis in all oil and gas companies, the Ministry has initiated training and skills development programmes to develop the skills of workers and encouraged oil & gas companies to replace expatriates with Omani workforce. At the end of 2019, the Omanization percentage in the operating upstream and downstream companies stood at about 84%, an increase of 7% in number of Omani workforce compared to 2018.

The Ministry of Oil and Gas has also made efforts to further develop the corporate social responsibility (CSR) strategy and coordinated the social investment framework for oil and gas companies to serve the community more effectively. In this direction, two agreements were signed - the construction of Outward Bound Oman Center at Al Jabal Al Akhdar and the establishment of professional workshops for those with special needs with the contribution of several companies. The companies also continued their CSR efforts as the total number of social responsibility projects reached 495 with a total investment of \$56.7 million.



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OIL & GAS INDICATORS

The Sultanate's total reserves of crude oil and condensates are about 4842.71 million barrels



Average daily production of crude oil and condensates reached 971,000 barrels



Total crude oil and condensates exports is 310 million barrels



China topped the list of importing countries at 78%



The average price of Omani crude oil was USD 63.58



Total petroleum products output from Mina Al Fahal and Sohar refineries was 112 million barrels



Total natural gas reserves are 23.8 trillion cubic feet



Average daily production of natural gas was 122 million cubic metres



LNG exports were 10.6 million metric tonnes



The Sultanate's production of LPG was 611,000 metric tonnes



The total number of producing fields in the Sultanate of Oman are 333, of which 286 are oil fields and 47 gas fields



94 exploration and appraisal wells, where 69 are oil wells and 25 are gas wells



Omanisation in the oil & gas sector reached 84 %



5 exploration and production sharing agreements for oil and gas exploration were signed

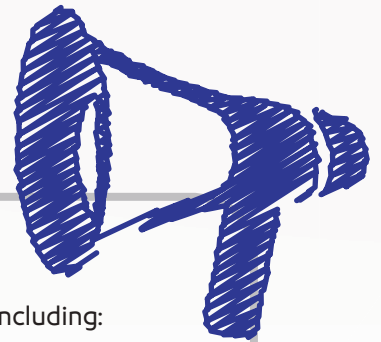


Major Events in 2019

Awards

1

- H.E. Dr. Mohammed bin Hamad Al Rumhy, Minister of Oil and Gas, felicitated with the 'Minister of the Year' Award 2019 in the energy category by Petroleum Economist magazine.



Agreements

2

- Signed five new oil and gas exploration and production sharing agreements including:
 - Two agreements with Eni Oman Bv for the blocks 77 and 47
 - One agreement with Occidental Oman for the block 72
 - One agreement with Shell Exploration and Production Oman B.V. (Oman Shell) for the block 55
 - Renewal of the agreement with Daleel Petroleum for block 5
- Signed agreement for the acquisition of Weatherford Drilling International Oman by Shaleem Petroleum on 20 November, 2019. The agreement includes the transfer of two additional maintenance machines and four ground drilling rigs with capacity of 1,000 horsepower each, in addition to the 300 Omani employees to Shaleem Petroleum.
- Signed two social responsibility agreements -- the first of which is for the construction of professional workshops for those with special needs (over 18 years old), funded by Petroleum Development Oman (PDO), Oxy Oman, BP Oman, Oman Oil and Orpic Group, Daleel Petroleum and CC Energy Development. The second agreement is related to the construction of Outward Bound Oman Center in Al Jabal Al Akhdar. Oxy Oman will supervise the implementation of the project on behalf of the supporting companies.



New Openings

3

- Gulf Energy Company opened its first cementing casing accessories manufacturing facility in Nizwa in November 2019 in the Sultanate to support Petroleum Development Oman's (PDO) operations and other customers in Oman and the GCC region. The factory will enhance the efforts in Omanisation, ICV strategy as well as boost the local supply chain.
- The first-of-its-kind plant to manufacture polymer in the Sultanate and the Gulf region was opened in the Raysut, Industrial Zone in Dhofar Governorate. Built with an investment of \$20 million, its current capacity is 15,000 tons that will be later increased to 70,000 tons per annum upon completion of all stages. The project, an Omani-Chinese joint venture, will localize a number of industries related to oil sector and will create a number of job opportunities for Omanis.

Conferences

4

- The Ministry of Oil and Gas and the Public Authority for Water organized Oman Energy and Water Conference & Exhibition, which discussed the latest developments and technologies in the fields of energy, water and wastewater. The conference included presentations of more than 60 working papers by local, Gulf, Arab and international subject matter experts.
- On 18 June 2019, the Authority for Electricity Regulation launched 'Sahim' mobile application to promote the use of solar PV systems in residential buildings. The project is part of the second stage of the National Solar Energy Initiative (Sahim).
- For the second successive year, the Sultanate hosted the World Heavy Oil Congress & Exhibition in 2019 with the participation of more than 500 experts and specialists in the heavy oil field to discuss ways to enhance international cooperation in the development of this sector.
- The GCC POWER Conference & Exhibition in 2019 was held at Oman Convention and Exhibition Center. It aimed at providing an ideal platform for sharing knowledge and experiences among experts and specialists from the GCC countries in the field of power production, transmission and distribution.



HEALTH, SAFETY, SECURITY AND ENVIRONMENT (HSSE)

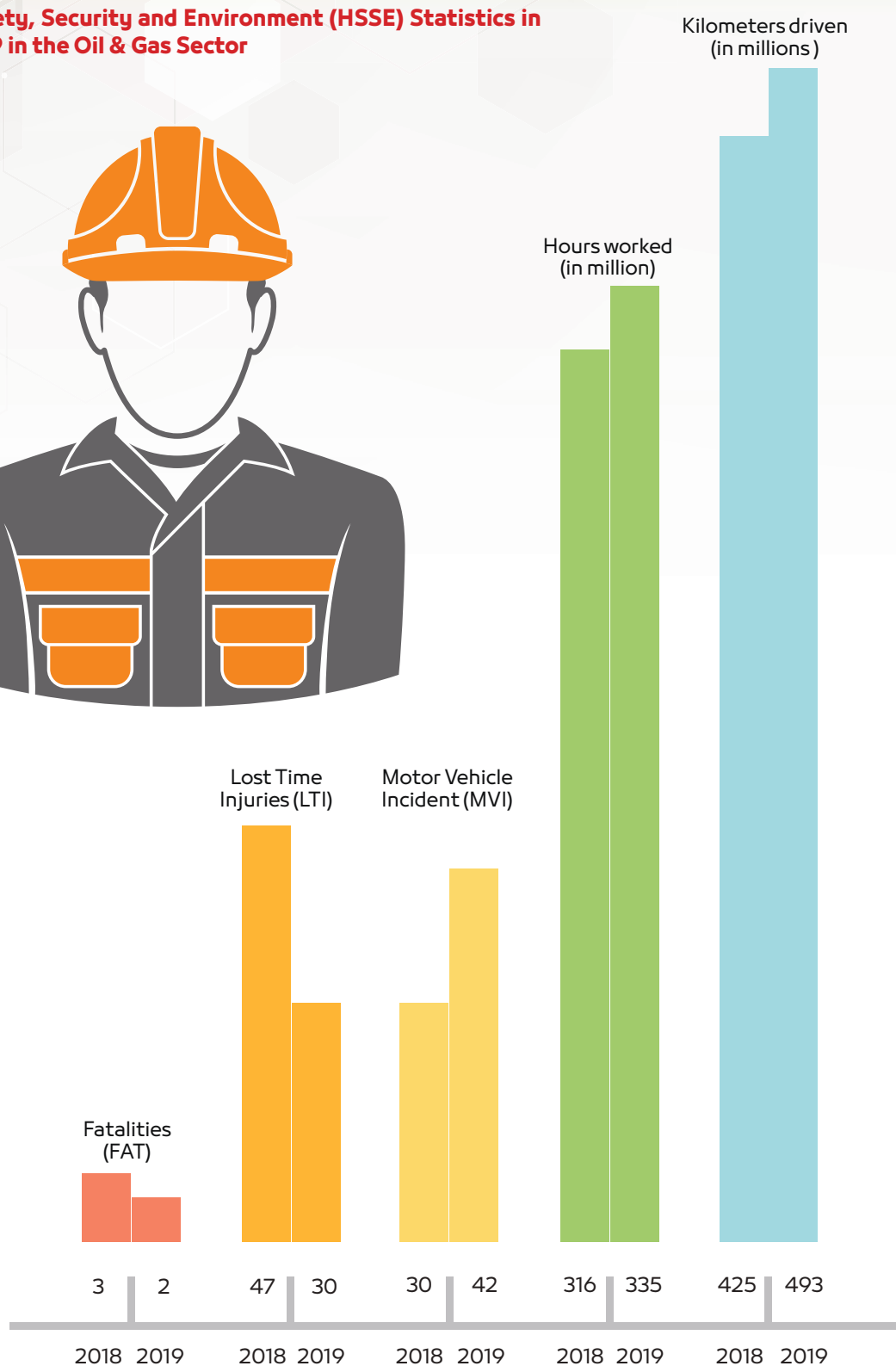
The Ministry of Oil & Gas emphasises the importance of adherence to HSSE standards as production operations are prone to risk. The operating companies consider health and safety as one of their main priorities. Therefore, they organise awareness programmes for their employees and develop health and safety procedures in the work environment to protect employees working in the sector from risks, as well as to protect and preserve the environment from harm.

Item	Fatalities "Work related" (FAT) (Total no.)	Lost Time Injuries (LTI) (Total no.)	Motor Vehicle Incidents (MVI) (Total no.) "severe"	Hours worked (Million Man- hours)	Road Exposure (Million Kilometers Driven)
Petroleum Development Oman	2*	21	27	215.83	324.50
Occidental Oman	0	3	4	41.64	74.89
Oman Oil Company E&P	0	0	4	5.37	11.33
CC Energy Development	0	2	3	8.19	19.93
BP	0	2	2	22.74	29.64
Daleel Petroleum	0	1	0	8.20	11.64
ARA Petroleum	0	0	1	4.20	1.16
MOGC	0	0	0	0.16	0.05
HCF	0	0	0	0.67	1.41
Shell Development Oman	0	0	0	0.196644	0.581635
Medco Arabia LTD	0	0	0	0.0191	0.0032
Masirah Oil Ltd	0	0	0	0.04	0.0588
Petrotel Oman	0	0	0	0.25	0.15
Tethys Oil Montasar Ltd.	0	0	0	0.000252	0.071885
ORPIC	0	1	0	15.67	0
Oman LNG	0	0	0	5.06	4.21
OGC	0	0	1	7.21815	13.54905
Total Oman	2	30	42	335	493

*Related to contractors.



Health, Safety, Security and Environment (HSSE) Statistics in 2018 & 2019 in the Oil & Gas Sector



OMANISATION IN THE OIL & GAS SECTOR

The number of employees working in oil and gas companies operating in Oman during 2019 reached 19,012, of which 15,982 were Omanis and 3,030 were expatriates. By the end of 2019, Omanisation in the upstream and downstream businesses of the oil & gas sector reached 84%, an increase of 7% of Omani workforce against 2018. These figures do not include the workers in the contracting and services companies operating in the oil & gas sector.

Table (1): Workforce volume and Omanisation percentage in the oil & gas sector

Sector	Manpower	No. of workers	%	Total by sector
*Oil	Omani	14,895	84	17,748
	Expatriate	2,853	16	
**Gas	Omani	1,087	86	1,264
	Expatriate	177	14	
Total workforce	Omani	15,982	84	19,012
	Expatriate	3,030	16	

Workforce in the oil & gas sector in 2019



Omani Manpower

*Oil Sector 14,895
** Gas Sector 1,087



Expatriate Manpower

*Oil Sector 2,853
** Gas Sector 177

*Includes all production, exploration, refining & petroleum companies in the oil & gas sector

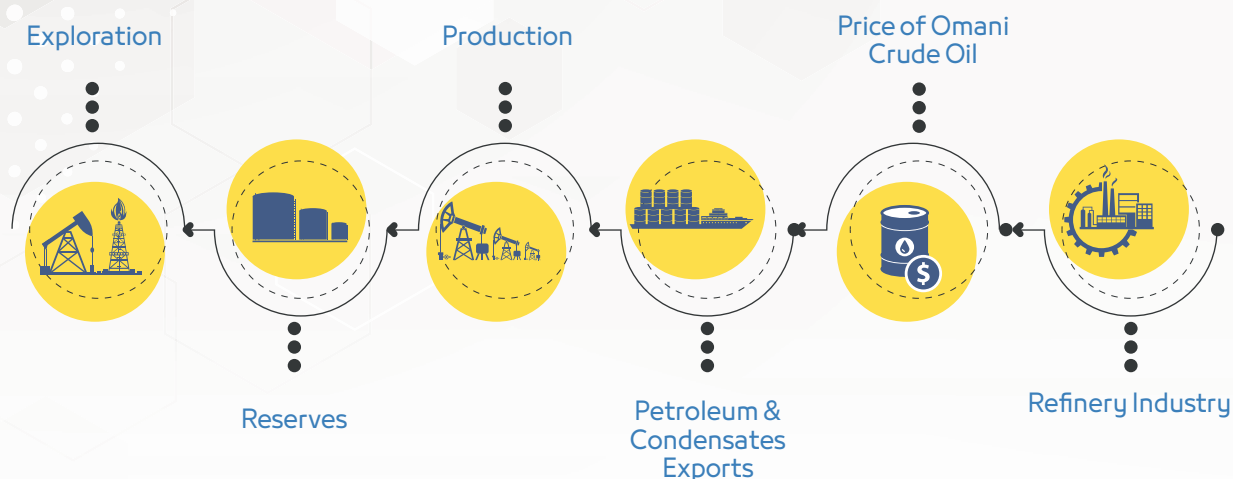
**Includes OLN&G & OGC



OIL SECTOR



Oil Sector



1. Exploration

Oil and gas companies operating in the concession areas in 2019 drilled, tested and evaluated 69 exploration and appraisal wells; 18 of which were drilled previously, and tested and evaluated in 2019. The petro-physical analysis and productivity tests in some of the wells showed positive results, adding new oil reserves.

Here are the counts of exploration and appraisal wells for the oil sector per company :

Petroleum Development Oman
Concession area (6) ▶ **26 oil wells**

Occidental Oman
Concession area (9, 27, 53, 72) ▶ **23 oil wells**

Oman Oil Company E&P
Concession area (48, 60) ▶ **3 oil wells**

Daleel Petroleum
Concession area (5) ▶ **3 oil wells**

CC Energy Development
Concession area (3 & 4) ▶ **6 oil wells**



Other companies* ▶ **8 oil wells**



* ARA Petroleum (44), Petrotel (39 & 67), Hydrocarbon Finder (7), Medco (56) and Masirah Oil (50)

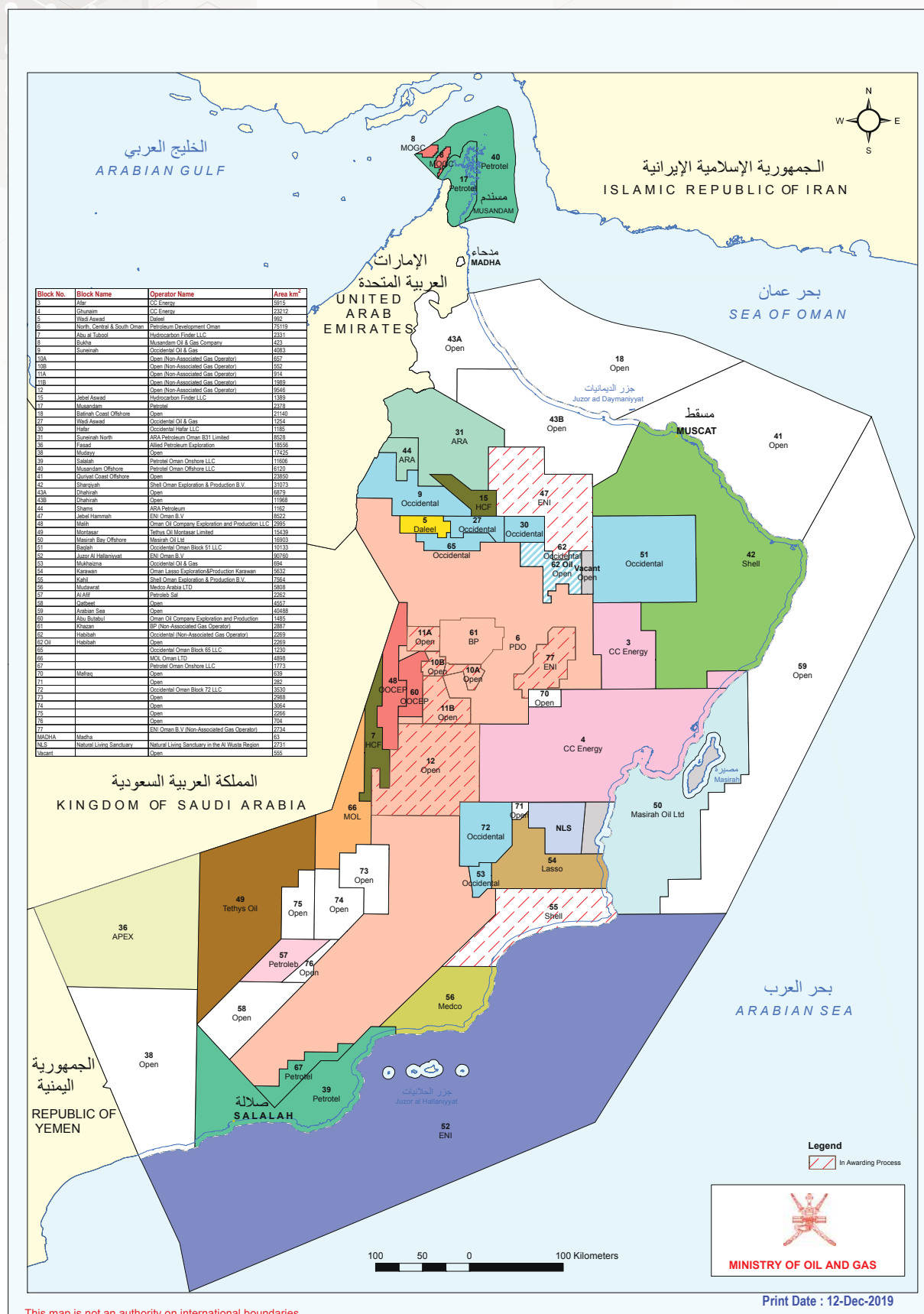
By the end of 2019, 18 companies were involved in oil and gas exploration and production operations in 39 concession areas in Oman. There were two relinquishments, block 8 relinquished by DNO Company and the northern part of block 61 relinquished by BP Exploration Epsilon Ltd.

Table (2): Oil & Gas Exploration and Production Companies Operating in the Sultanate at End of 2019

NO	Company Name		Blocks	Area (sq kms)	Date of Signed EPSA	Status	
1	Petroleum Development Oman (PDO)		6	75119	19/12/2004	Production	
2		Occidental Oman Incorporated	9	4083	23/1/2017	Production	
		Occidental Oman Oil and Gas	27	2485	15/6/1998	Production	
			30	1185	14/11/2017	Exploration	
		Occidental Mukhaizna	53	694	21/6/2005	Production	
		Occidental Oman Gas	62	2269	22/11/2008	Exploration	
		Occidental Oman	72	3530	28/2/2019	Exploration	
		Occidental Oman	65	1230	16/12/2018	Exploration	
		Occidental Oman	51	10133	16/12/2018	Exploration	
3	ARA Petroleum		44	1162	21/7/2002	Production	
			31	8528	14/11/2017	Exploration	
4	Daleel Petroleum LLC		5	992	7/08/2019	Production	
5	Allied Petroleum Exploration Inc.		36	18556	10/8/2011	Exploration	
6	CC Energy Development S.A.L *		3	11398	9/2/2003	Production	
			4	23212			
7	Hydrocarbon Finder E&P		15	3891	6/9/2005	Exploration	
			7	2331	28/1/2019	Production	
8	BP Exploration (Epsilon)		61	2796	22/1/2007	Production	
9		PetroTel Oman LLC	17	2378	23/5/2009	Exploration	
		PetroTel Oman Limited Offshore	40	6120	6/8/2011	Exploration	
		PetroTel Oman Onshore LLC*	39	11606	26/3/2013	Exploration	
			67	1773			
10	Masirah Oil Ltd		50	16903	28/2/2011	Exploration	
11	Medco Arabia LTD		56	5808	20/11/2014	Exploration	
12	Shell Development Oman		Shell Development Oman B.V.	42	25590	11/10/2011	Exploration
			Shell Development Oman B.V.	55	7564	10/10/2019	
13	OQ		OOCEP	60	1485	19/5/2011	Production
				48	2995	31/01/2017	Exploration
			MOGC	8	423	16/06/2019	Production
14	MOL Oman Ltd.		66	4898	9/11/2012	Exploration	
15	Oman-Lasso E&P Karwan Limited		54	5632	22/9/2015	Exploration	
16	ENI S. P. A		52	90760	18/12/2017	Exploration	
			47	8522	14/1/2019	Exploration	
			77	2734	31/7/2019	Exploration	
17	Tethys Oil Montasar Limited		49	15439	18/12/2017	Exploration	
18	Petroleb SAL		57	2262	10/01/2018	Exploration	


*Two blocks with one sharing agreement

SULTANATE OF OMAN CONCESSION BOUNDARIES



This map is not an authority on international boundaries.

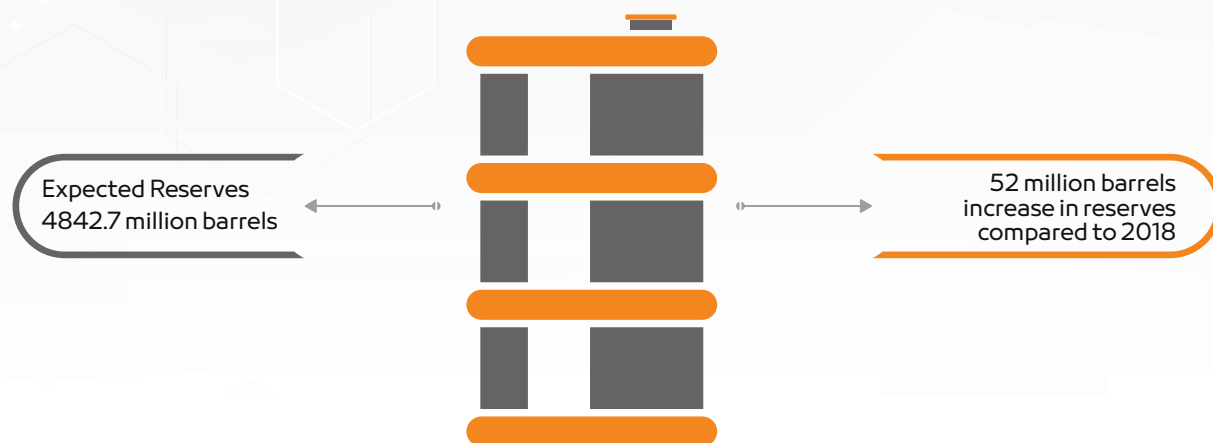
In 2019, the Ministry of Oil & Gas signed five exploration and production sharing agreements, as follows:

Company	Concession Area	Signing Date	Value for Investment Phase I (Million USD)
 Shell Development Oman B.V.	55	10/10/2019	40
 دلييل النفط ش.م.م. DALEEL PETROLEUM L.L.C.	5	7/8/2019	agreement renewal for 15 years (oil producer company)
 ENI S.P.A.	77	31/07/2019	22
 Occidental of Oman Inc. أوكسيدنتال عمان انكروبريتد	47	14/01/2019	20
 Occidental of Oman Inc. أوكسيدنتال عمان انكروبريتد	72	28/02/2019	35

2. Reserves

By the end of 2019, the total reserves of crude oil and condensates in the Sultanate amounted to about 4842.71 million barrels, up by 1.1% in comparison with 2018. Petroleum Development Oman contributes about 67% of the total reserves of the year.

Reserves of crude oil & condensates at the end of 2019

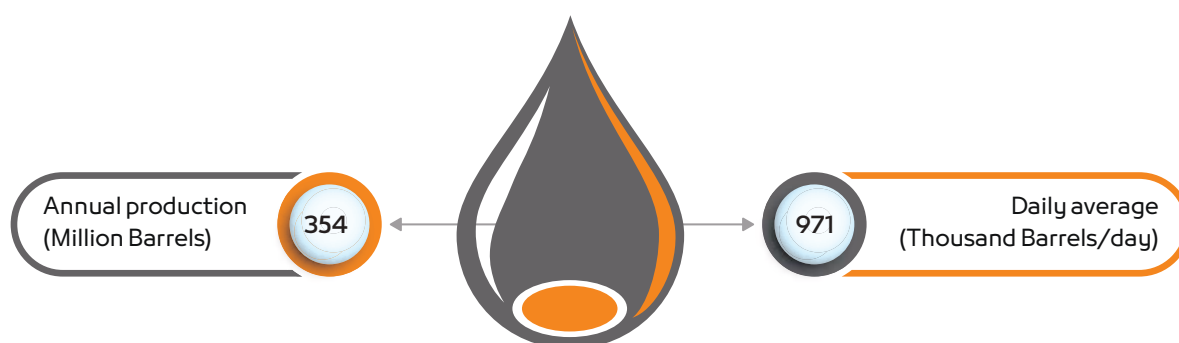


Reserves of crude oil & condensates

3. Production

The average daily production of oil during 2019 amounted to 971,000 barrels per day against 978,000 barrels per day in 2018, a reduction of 0.7%. The Sultanate maintained its level of oil production in compliance with the agreement to curb output among the OPEC and non-OPEC producers in order to stabilise the international oil supply and demand.

Production of crude oil & condensates at the end of 2019

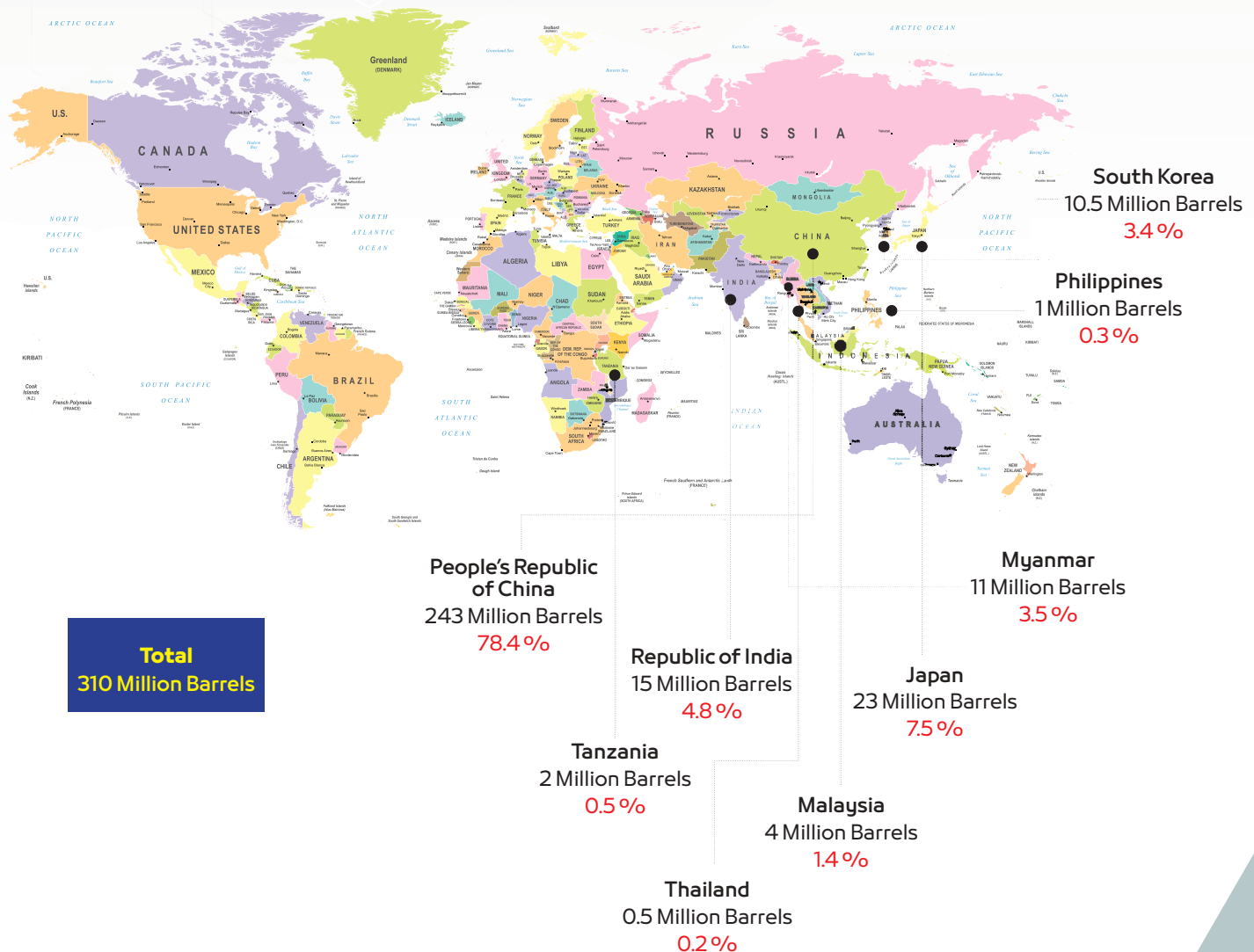


Total Crude oil and condensate production

4. Petroleum & Condensates Exports

The total exports of oil and condensates during 2019 amounted to 310 million barrels. People's Republic of China topped the list of the countries importing crude oil from Oman, with 78%, followed by Japan with 8%. The rest of the countries represented 14% of the total exports of crude oil and condensates in 2019.

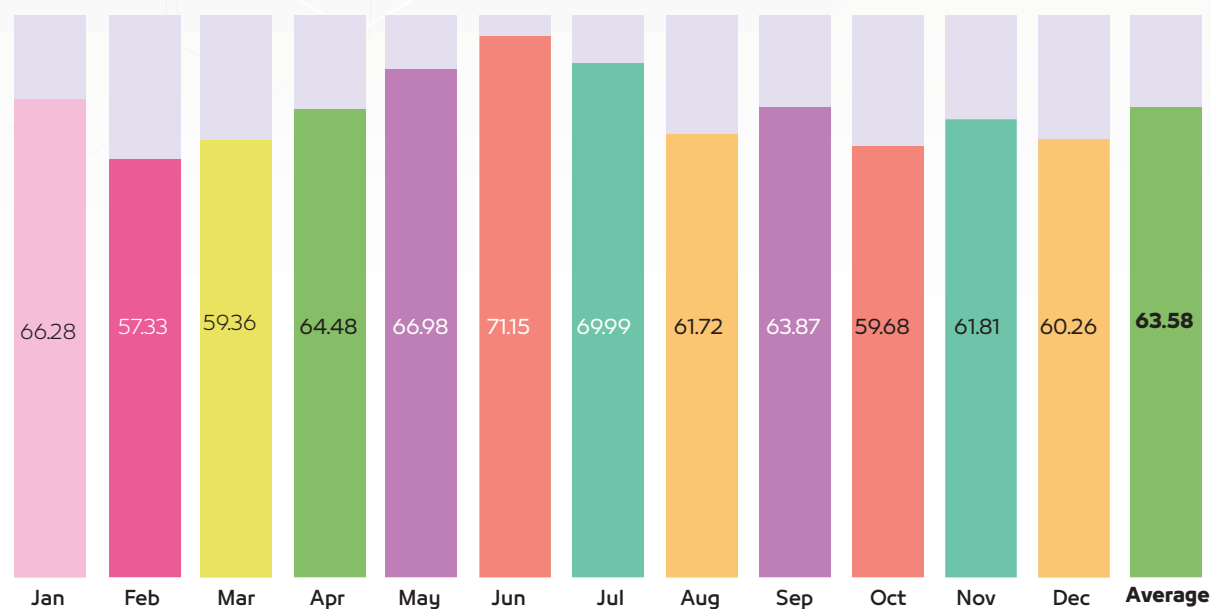
Exports of crude oil and condensates as per importing countries in 2019



5. Price of Omani Crude Oil

In 2019, the average price of Omani crude oil reached USD 63.58 per barrel, decreasing by 9.2% against 2018. Omani crude oil prices averaged at a minimum of USD 57.33 per barrel in February and a maximum of USD 71.15 per barrel in June.

Monthly Average of Oman crude oil Price in 2019 (USD/barrel)



*USD per barrel

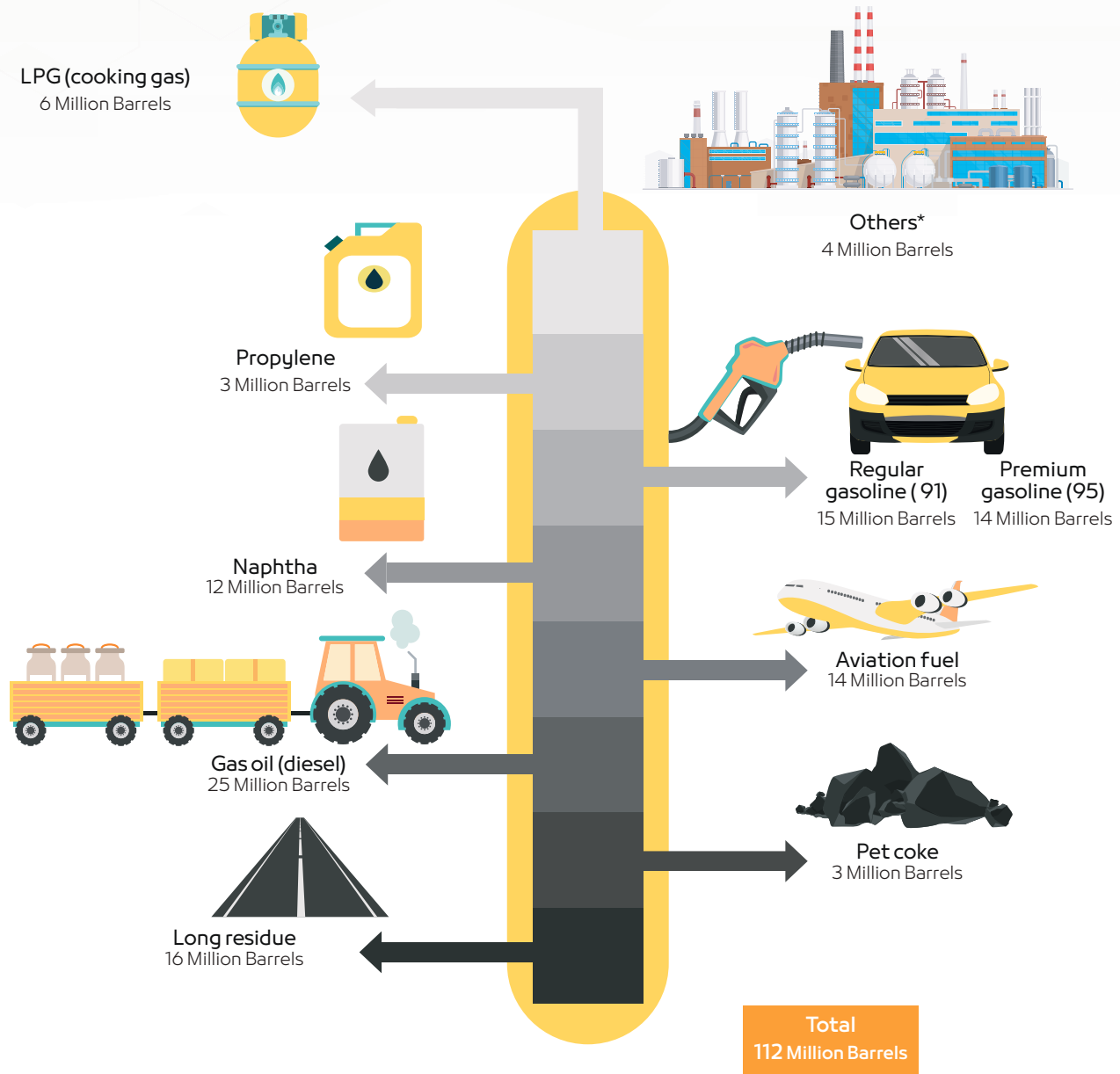


6. Refinery Industry

1. Production

Total petroleum products output of Oman Oil Refineries and Petroleum Industries Company (ORPIC) reached about 112 million barrels. The contribution of Mina Al Fahal Refinery was 35 million barrels, and Sohar Refinery contribution was 77 million barrels. The production of gas oil (diesel) was about 22% of the total production of the two refineries of ORPIC.

Production of Oman Oil Refineries and Petroleum Industries Company

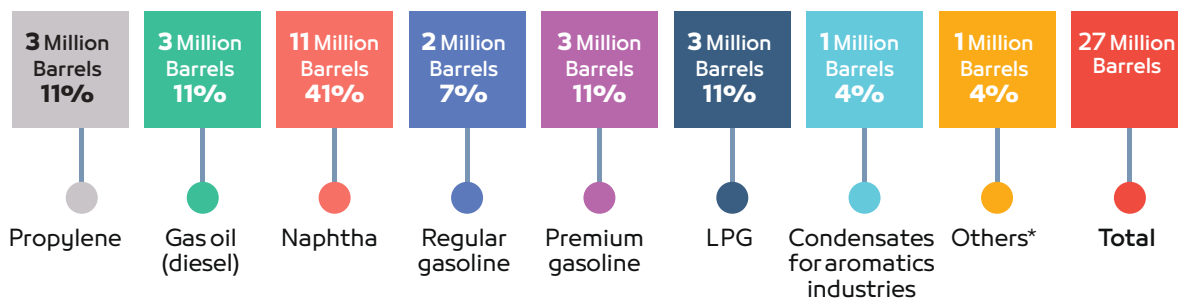


*Includes: bitumen, fuel oil, solid sulphur, isomerate, heavy raffinate, unprocessed gas oil (Diesel)

2. Domestic Sales of Petroleum Products

The total sales of petroleum products during 2019 is estimated to be 27 million barrels, of which 2 million barrels were sold by Mina Al Fahal Refinery, and 25 million barrels were sold by Sohar Refinery. ORPIC sales of naphtha represents 41% of the total domestic sales of petroleum products in 2019.

Domestic Sales of Petroleum Products of Oman Oil Refineries & Petroleum Industries Company



*Includes solid sulphur, raffinate

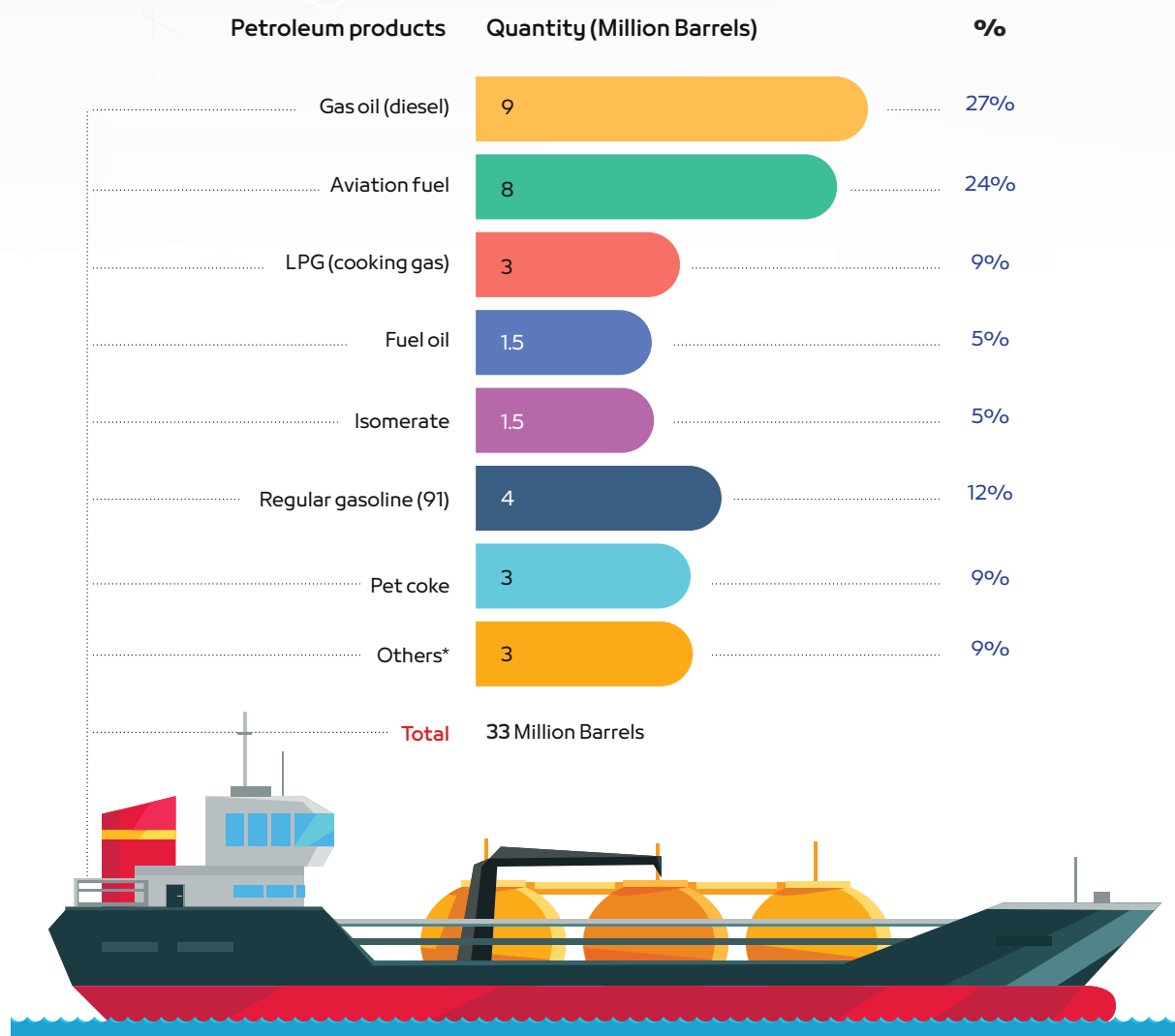
**Does not include sales to MAF, Raysut Port and Jifnain Station, Residual oil after liquidation (re-injection)



3. Export Quantities of Petroleum Products

The total quantities of petroleum products exported during 2019 by Oman Oil Refineries & Petroleum Industries Company through Sohar Refinery is estimated to be 33 million barrels. Exports of gas oil (diesel) represented 27% of the total quantities of petroleum products exported in 2019.

Petroleum products exported by Oman Oil Refineries & Petroleum Industries Company in 2019

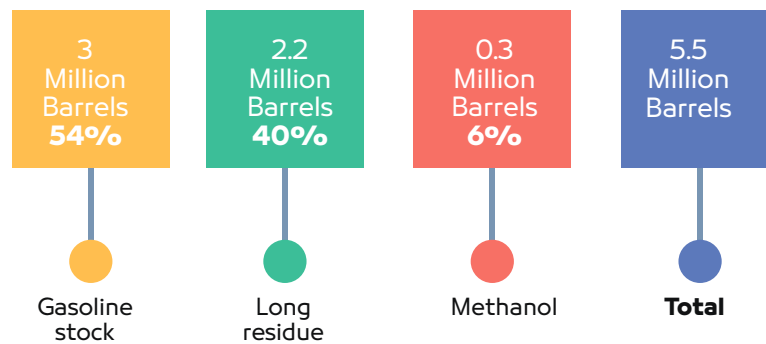
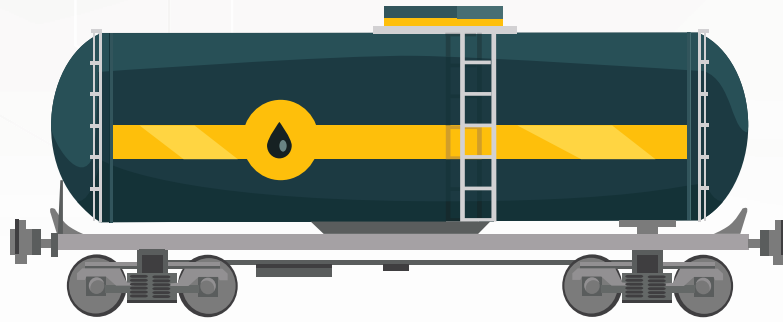


*Includes: Premium gasoline (95), sulphur, Long residue

4. Imported Quantities of Petroleum Products

The total quantities of petroleum products imported by Oman Oil Refineries & Petroleum Industries Company through Sohar Refinery during 2019 reached 5.5 million barrels.

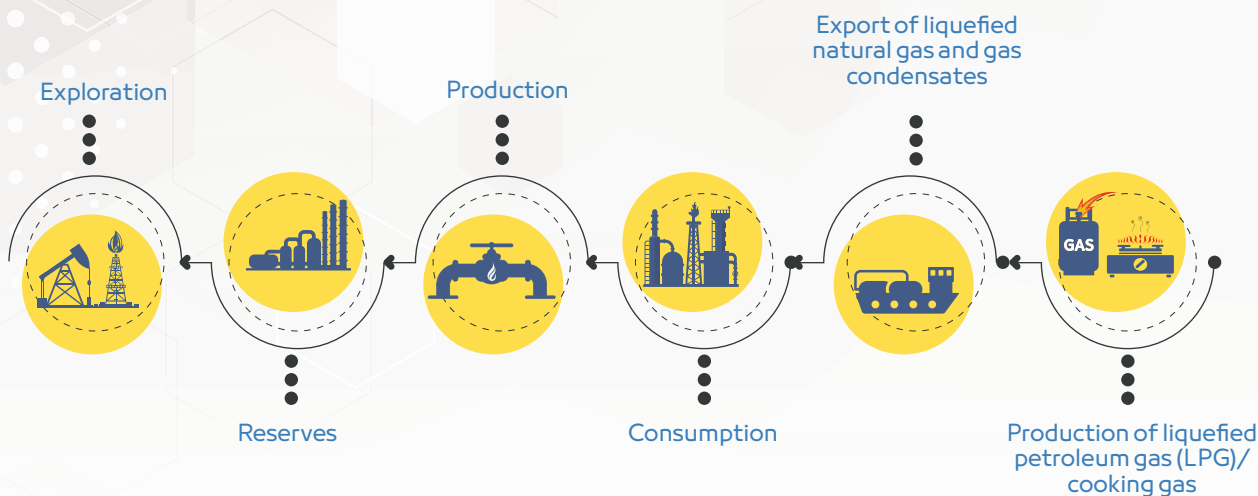
Petroleum products imported by Oman Oil Refineries & Petroleum Industries Company in 2019



GAS SECTOR



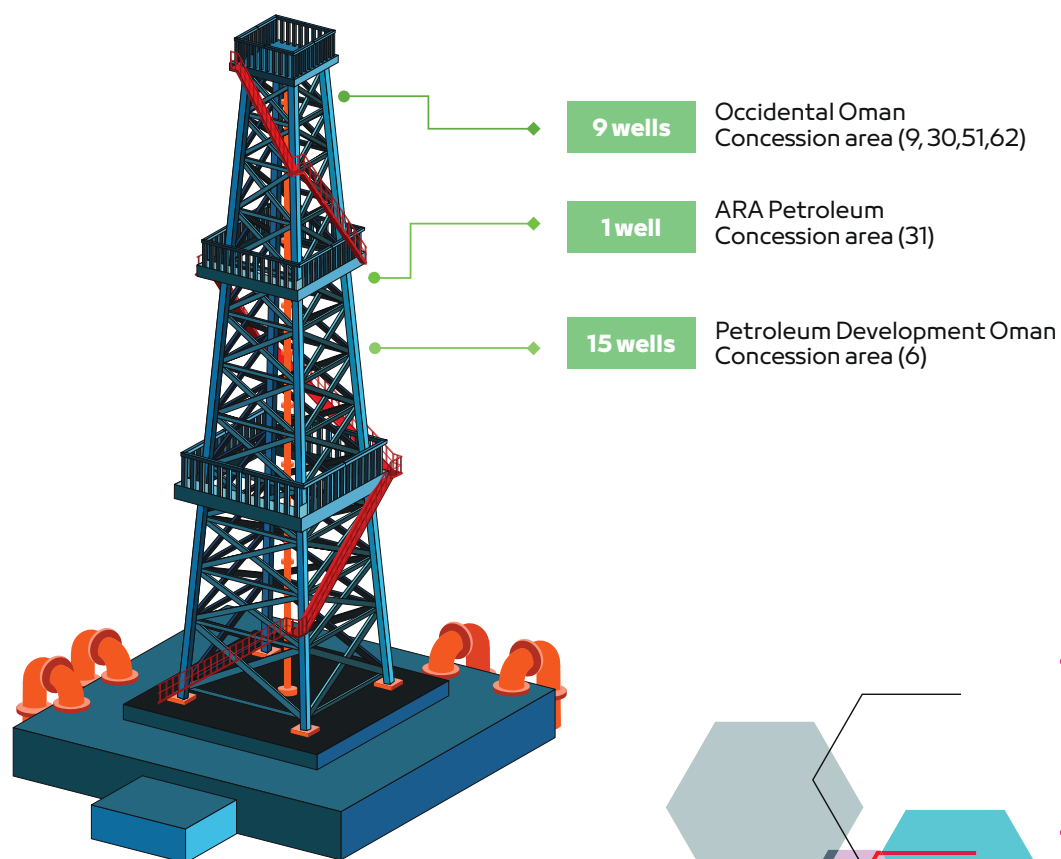
Gas Sector



1. Exploration

The oil and gas companies operating in the concession areas in 2019 drilled, tested and evaluated 25 exploration and appraisal gas wells, 8 of which were drilled previously, but tested and evaluated in 2019. The analysis and productivity tests in some of the wells showed positive results, adding new gas reserves.

Gas exploration and appraisal wells in 2019



2. Reserves

The total reserves of natural gas in the Sultanate at the end of 2019 is estimated to be 23.8 trillion cubic feet, 53.7% of which is the estimated reserve of PDO, followed by BP (Khazzan and Ghazeer) with 41%, and 5.3% of other companies.

Reserves of Natural Gas at the End of 2019

Expected reserves
23.8 TCF



Added reserves
0.46 TCF

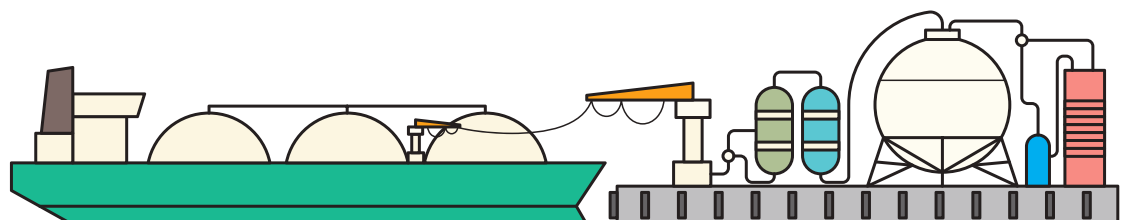
Gas reserves

3. Production

The Sultanate's average production of natural gas during 2019 amounted to 122.2 million cubic metres per day, 19% of which was associated gas at an average of 22.8 million cubic metres per day. Non-associated gas constituted 81% of the total production at an average of 99.4 million cubic metres per day. In addition, natural gas was imported through Dolphin Energy Company at an average of 5.3 million cubic metres per day.

Natural gas production and import in 2019

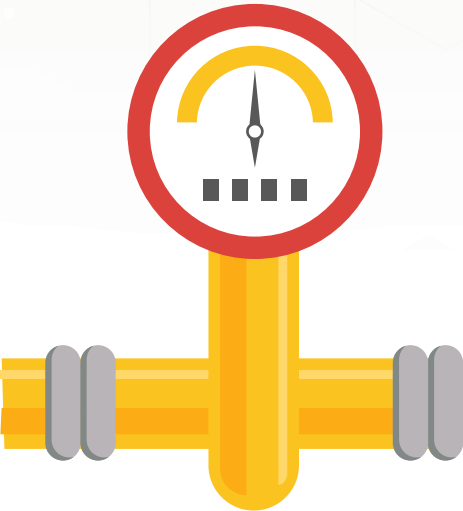
	Production (Million Cubic Metres)	Daily average (Million Cubic Metres)
Total associated gas	8325	22.8
Total non-associated gas	36278	99.4
Total production	44604	122.2
Total import through Dolphin Energy	1950	5.3
Total production and import	46554	127.5



4. Consumption

The total consumption of natural gas during 2019 reached 46,554 million cubic metres. Oman LNG and Qalhat LNG projects ranked highest in terms of natural gas consumption, accounting for about 16,129 million cubic metres, or 35% of the total consumption in 2019. This was followed by local industrial projects, with 27% consumption, 22% for field operations and other uses, and 16% for power and desalination plants. Consumption at industrial areas constituted only 1% of the total consumption of natural gas.

Consumption of Natural Gas as per Consumers in 2019 (Million Cubic Metres)



LNG*	16129
Local industrial projects	12622
Field operations and other uses	10140
Power and desalination plants	7512
Industrial areas	151
Total	46554

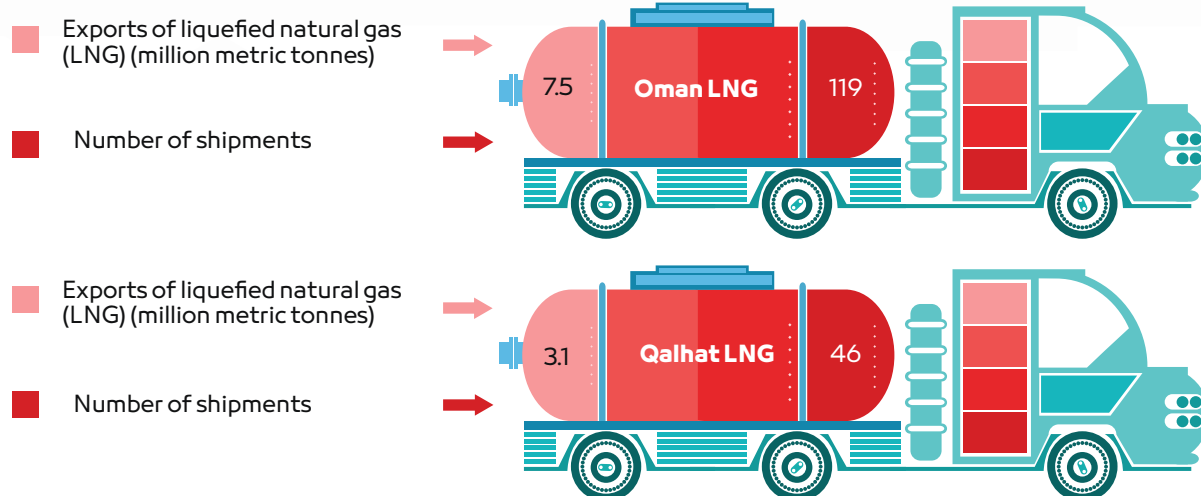
*Includes Oman LNG & Qalhat LNG



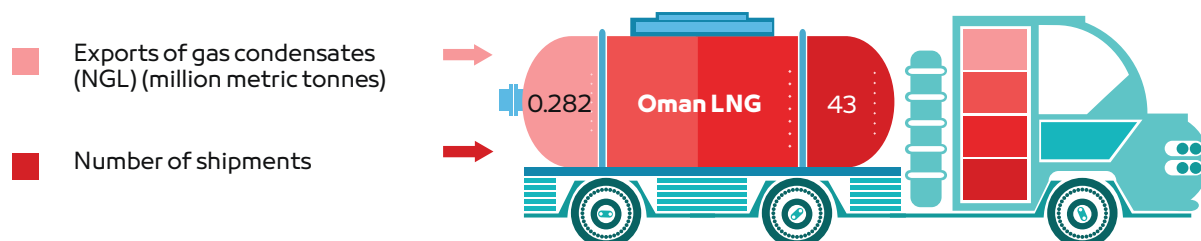
5. Export of Liquefied Natural Gas and Gas Condensates

Total exports of LNG during 2019 amounted to 10.6 million metric tonnes in 165 shipments. The export of gas condensates were 0.282 million metric tonnes in 43 shipments. At the end of 2019, Oman LNG represented 71% of the total natural gas exports, while Qalhat LNG accounted for about 29% of the total.

Exports of liquefied natural gas (Million Metric Tonnes)



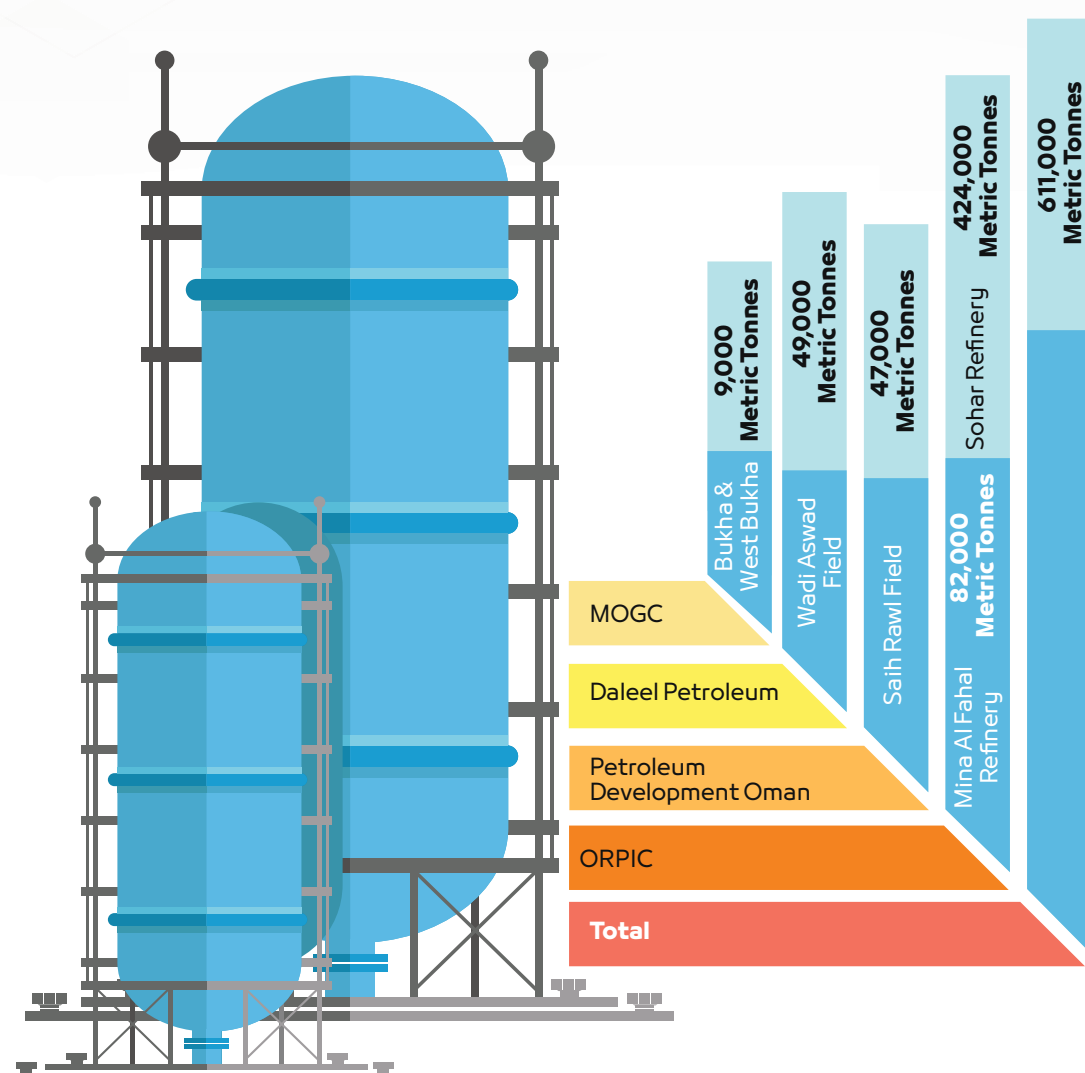
Exports of gas condensates (NGL) (million metric tonnes)



6. Production of Liquefied Petroleum Gas (LPG)

The total production of LPG during 2019 reached 611,000 metric tonnes. Quantities produced by Oman Oil Refineries and Petroleum Industries Company (Mina Al Fahal and Sohar) constituted 506,000 metric tonnes, i.e. 83% of the total LPG production, followed by 17% for the rest of the companies.

Production of liquefied petroleum gas by source & quantity

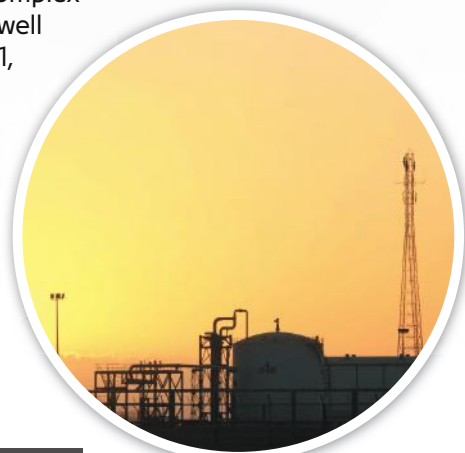


Major Projects in the Oil & Gas Sector

It is essential for the Ministry of Oil & Gas to retain the nation's position as an industry leader in the oil & gas sector; demonstrating the capacity to cope with new developments and ensure sustainable oil and gas production. Operators are, therefore, keen on field development and continuous improvement by adopting the latest technologies and initiating new projects, which ensure quality and maintain continuity of production. The following are the major oil and gas projects undertaken by operators:

PETROLEUM DEVELOPMENT OMAN

Production of the first gas from the Rabab Harweel Integrated Project (RHIP), the largest capital project in PDO's history. The RHIP was completed with almost 50 million manhours without Lost Time Injuries (LTIs), with the start-up in June 2019, two months ahead of schedule and over US\$1 billion under budget. The project, with reserves of more than 500 million barrels of oil equivalent, with half of its procurement cost spent within Oman, and a huge number of jobs and development opportunities for PDO, local suppliers and contractors. Project at Yibal Khuff, the most technically complex in company history, is also proceeding well. The project, which is proceeding well within budget, is on track to be brought on stream in February/March 2021, delivering around six million cubic metres of gas per day and around 10,000 bpd of oil. The first phase of the Khulud tight gas development, one of the deepest in the world stretching to 5,000 metres underground, is under execution. The station has been commissioned, with the aim of delivering an average 2.5 million cubic metres of treated gas per day and 650m³/d of condensate. The 100MW solar photovoltaic independent power producer (IPP) at Amin field marks a significant step in PDO's energy transitioning to a fully-fledged energy company with a greater emphasis on renewables and is on track to commercially operate in May 2020. The site span of 4 km², the size of 480 football pitches will consist of more than 335,000 solar PV panels, producing enough energy to power 15,000 homes.



DALEEL PETROLEUM

Commencement of Yibal water utilization to replace Masrooq shallow water for water injection purpose - This project was commenced in 2019 and expected to be completed by 2021. It aims to import Yibal produced water from PDO to Daleel BBS to meet the forecasted water injection requirements. The scope of the project include installation of 16", 35 km pipeline and enhancement of water treatment facilities to treat the imported Yibal produced water as per Daleel water injection specifications. Associated Petroleum (AP) gas recovery project - This project aims to reduce the greenhouse gas emissions and also utilize the recovered gas, with the aspiration of reaching Zero gas flaring. This project is expected to be completed by 2021.



OCCIDENTAL OMAN

Occidental Oman's team added about 20 MW of power generation, extended power distribution to 3 different areas through installation of over 150KMs of overhead lines, 20,000 BPD of water injection capacity, 2MW of diesel power converted to permeant power and power system stabilization in Khamilah station in 2019 in Blocks 9 and 27. Additional gas compression and liquid handling facilities, along with further capacity expansion of production stations, will continue in 2020. In Block 53, 80 production wells were provided permanent power to reduce operating expenses. Moreover, Occidental Oman's team successfully commissioned a depletion compression project in Block 62 Maradi Huraymah Gas Plant in Q3 2019 to support 2020 production. Occidental Oman hooked-up three additional gas wells in 2019 and is in the process of hooking up an additional well in 2020.



BP OMAN

Khazzan

- Second year of production from Khazzan, 28 million cubic metres of gas per day (1.0 billion cubic feet of gas) and 33,800 barrels of condensate a day
- Over 10.24 billion cubic metres annually (bcma) of gas produced
- 66 wells up and running

Ghazeer

- Ghazeer will provide an additional production to Khazzan field which is expected to rise to 42 million cubic metres of gas (1.5 billion cubic feet of gas) and 40,000 barrels of condensate a day by mid-2021
- Project over 90% complete; central processing facility (CPF) construction 89%
- 14 wells completed; two wells live



CC ENERGY DEVELOPMENT

CCED was delighted to celebrate the landmark opening of the new Shahd camp in 2019. This represented another major milestone in CCED's Block 3 & 4 development ambitions. The Shahd camp was built to CCED and OPAL standards and has capacity for around 440 residents. Project started in April 2018 and the camp was fully occupied by Sep-2019. All the design and engineering, suppliers, contractors and service companies involved in the project were local Omani companies. Another, important project is replacement of AP flare tip at Farha station. The replacement of the tip presented the opportunity to make modifications to the flare infrastructure and the control system at the same time. The change out and modifications were planned and executed with no HSE incidents, minimum shut down and minimum production loss. The engineering, design and physical work was executed by experienced local Omani companies. The project started in Jul-2018 and was completed in Aug-2019. To minimise the environmental impact, enhance oil recovery and increase hydrocarbon production, a produced water reinjection (PWRI) system was added to the Ulfa facility project. The PWRI system was mechanically completed in June 2019 and was safely and successfully commissioned by October 2019. The engineering, design, and physical work was executed by experienced local Omani companies. Shahd F-Gas Utilization Project - In order to minimize flaring, a gas driven power generation facility was installed at the Shahd F production station. Gas is used to provide power for the station, well clusters and the new Shahd camp. Project engineering started in January 2019, construction started in July 2019 and was completed in December 2019. The engineering, design, and physical work was executed by experienced local Omani companies.

TETHYS OIL MONTASAR LIMITED

Processing and interpretation of 253 km² 3D and 299 km 2D seismic data which was acquired in 2018 in Block 49 to mature a drillable prospect - All new seismic data was processed in 2019. Interpretation of the 2D seismic was finalized and most of the 3D seismic has been interpreted during the year. A lead has been matured to a drillable prospect in the 2D area. Preparations to drill the Thameen prospect in 2020 is ongoing. The interpretation has also greatly enhanced the understanding of the deeper parts of the block in general.

OMAN LNG

2019 also ended on a high note in production and marketing of LNG, as the company reached a new production peak of 10.7 million tonnes of LNG, and delivered a new record of 166 LNG cargoes to customers around the world. Oman LNG's major projects complement and underpin the company's mission "To produce, market and deliver LNG safely, reliably and profitably". All these achievements could not be delivered without proper maintenance, deliberate planning, and robust project execution. Plant Rejuvenation Programme, Power Project and Debottlenecking Project, are now running at full speed, contributing to outstanding plant efficiencies and consequently boosting output.



Salalah LPG Project - The Salalah LPG project is one of the long-term goals to benefit from gas resources and support the gas transportation infrastructure in the Sultanate, with an investment of about \$826 million, of which \$200 million will be spent within the Sultanate as ICV. It is estimated that revenues will reach approximately \$200 million annually through the sale of 300,000 tons per annum of LPG and condensate. The project is currently in the final stages of construction and is scheduled to be completed and export the first shipment of oil condensate in the third quarter of 2020.

Liwa Plastics Industries Project - The Liwa Plastics Industries Complex is one of the transformative manufacturing projects that will contribute to improving and increasing the diversity of downstream industries production by utilizing the final products that are produced from the Sohar Refinery and Aromatics Plant. The project also ensures a better exploitation of the natural gas liquids currently extracted from the supply of natural gas to produce high quality polymer products that meets the needs of the local and international markets. For the first time, the Sultanate will be able to produce polyethylene, a form of plastics, for which there is a growing global demand. As of November 2019, about 97% of the project has been completed. The project will be completed in the third quarter of 2020, at a cost of approximately \$6.7 billion.

Duqm Refinery and Petrochemicals Industries Project - Duqm Refinery and Petrochemicals Industries is a joint venture (JV) between OQ and Kuwait Petroleum International Company (KPI). The project, with its strategic location overlooking the shipping lines, is one of the major projects that will benefit the Duqm Special Economic Zone (SEZAD). The refining capacity of the Refinery will reach 230,000 barrels per day when operations start to produce diesel and aviation fuel in addition to naphtha and liquefied petroleum gas (LPG). The project, which will be implemented at a total cost of \$5.75 billion, consists of three construction packages. The first package includes the main processing units for crude oil, while the second package includes project services facilities. The third package includes external facilities - a dock for exporting and storing products at Port of Duqm and crude oil tanks at Ras Markaz along with an 80 km pipeline linking the tanks to the refinery complex. By the end of December 2019, the overall completion rate in the project stood at 45%. Provided that all the work related to the project is completed, the trial operations of the project are expected to start by the end of 2021. In June 2019, the Company awarded the front-end engineering design (FEED) contract for the petrochemicals complex in Duqm to the UK-based Wood Plc. The scope of work for the petrochemicals complex project includes the technology selection and award of the multiple licensed units for the petrochemical complex in the early stage of FEED. The Petrochemical Industries Complex project in Duqm will contribute to enhancing the added value of the Refinery and provide the infrastructure for the establishment of many industries based on oil derivatives. This project is expected to lead to the growth of many other industrial sectors, enhance the country's gross domestic product, create job opportunities for Omani youth and achieve many long-term economic goals according to the Sultanate's vision for economic diversification - Oman Vision 2040.



In-Country Value (ICV)

Since the beginning of the blessed Renaissance, the Ministry of Oil and Gas has been playing a key role in the development process taking place in the Sultanate. The growth in production and reserves has been coupled with a growth in the number of Omanis working in the sector. This has resulted in the establishment of many local companies, which contributed to the enhancement of In-Country Value (ICV) in the Sultanate through increasing expenditure on the procurement of services and products from the local market, as well as building and developing the skills of national workforce.

The highlights of key ICV achievements in 2019 can be summarized as follows:

Localization of industries and services

As of the end of 2019, about 30 different investment opportunities, out of 53 opportunities identified in the ICV Blueprint strategy, have been awarded as some opportunities have been turned into viable projects, others are in the pipeline. The projects, whose total investments are estimated about US\$ 200 million, are expected to create around 1,000 job opportunities.

The following opportunities are some of the main projects that have been awarded in 2019:

- Manufacturing of casing
- Waste recycling
- Management and disposal of non-hazardous wastes

Efforts are also continuing to identify and implement more projects outside the ICV Blueprint strategy. Consequently, three new investments opportunities have been awarded in the following fields:

- Manufacturing of fasteners
- Manufacturing of welding electrodes
- Manufacturing of cable management systems

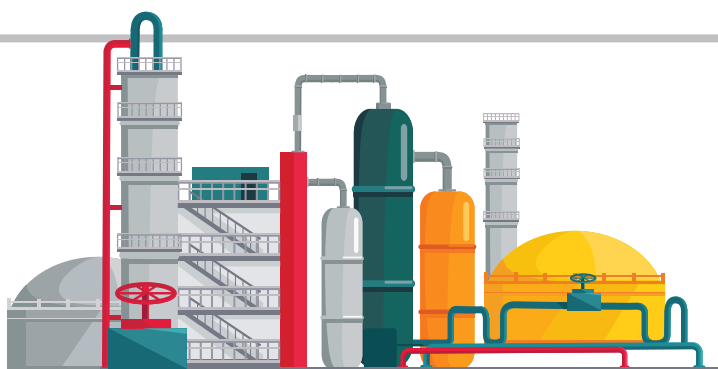
Vendor Development Programme (VDP)

As part of the efforts to improve the competence of local companies and diversify their businesses in order to enable them to compete effectively with international companies, 13 new opportunities were identified in 2019 as part of the Vendor Development Programme, out of which six opportunities were awarded in 2019. The most notable of them are:

- Manufacturing of telecom towers
- Provision of fracturing services
- Developing an SME to provide metaphor services for exploration

Human Resources Development and Training

In collaboration with the Ministry of Oil & Gas and the Ministry of Manpower, Oman Society for Petroleum Services (OPAL) has set-up the first of its kind Sector Skills Unit (SSU) for the oil and gas sector. The Unit is expected to play a key role in ensuring coordination and harmonization between the requirements of the employment market for oil and gas sector and the outputs of the education and training institutions. The Unit is also expected to play an active role in the research and development activities, with the aim of enhancing the development of human resources required by the sector. These efforts will play a fundamental role in increasing the Omanization rate within the sector.



Super Local Community Contractors (SLCC)

The idea of establishing Super Local Community Contractors (SLCCs) was developed by the Ministry of Oil and Gas in 2010 and was supported by oil and gas operators. The Super Local Community Contractors are closed joint stock companies that are established by locals from the concession areas. The number of shareholders in these companies as at the end of 2019 stood at 9,700. These companies provide a wide range of basic services including logistics, electrical, equipment rent, road maintenance, civil and construction services, oilfield maintenance and pipelines maintenance. They are playing a key role by diversifying the sources of income for citizens residing in the concession areas, replacing international companies with local companies and providing opportunities to the local companies to move up in the value chain in the oil & gas industry, apart from providing training and jobs & skills development opportunities. Almost 1,200 Omanis are working in these six SLCCs including Al Haditha, Al Baraka, Al Shawamikh, Al Sahari, Al Khazain and Al Sawari. While Al Khazain and Al Sawari have direct contracts with Oxy Oman and CC Energy Development respectively, other companies have direct contract with Petroleum Development Oman (PDO). The value of the awarded contracts to these companies stood at about \$1.1 billion (RO450 million approx.) as of the end of 2019.

The oil and gas companies provide support and assistance to the SLCCs to ensure the sustainability of their activities through:

- Appointing a consulting company to assist and guide these companies in developing their business plans, setting health and safety and environmental standards and drafting administrative regulations in line with the standards of the oil and gas industry.
- Seconding experienced staff from operator to help employees at these companies have better understanding the operations of oil and gas sector.
- Training locals living in the concession areas on the necessary skills that qualify them to be employed in these companies.
- Allocating industrial sites and workshops in places belonging to the oil and gas companies.
- Procurement of all primary equipment to carry out the contracts awarded to these companies.

Company	Concession Areas	No of shareholders	Capital (In RO)	Sponsor	Nature of work	Contract Value (In USD millions)
AlShawamikh Oil Services	North concession area	1615	4,048,783	PDO	• Hoists • Pipelines maintenance	277**
Al Haditha Petroleum Services	Adam- Ibri-Bahla*	3072	5,367,288	PDO	• Flow line replacement	264**
Al Baraka Oilfield Services	South of Concession Area Shaleem and Halaniyat Island	1297	3,499,990	PDO	• Hoist • Flow line replacement	286**
Al Sahari Oil Services	South of concession area Thumrait and Maqshan	2206	4,751,295	PDO	• Oilfield maintenance services	109**
Al Khazain Oilfield Services	Middle of concession area Haima & Al Jazir	1189	4,000,000	OXY	• Hoist • Logistic services	76***
Al Sawari International Investment	Middle of concession area, Duqm and Mahout	371	383,300	CCED	• Logistic services	76****
Total		9,708	22,050,656	US\$1.1billion		

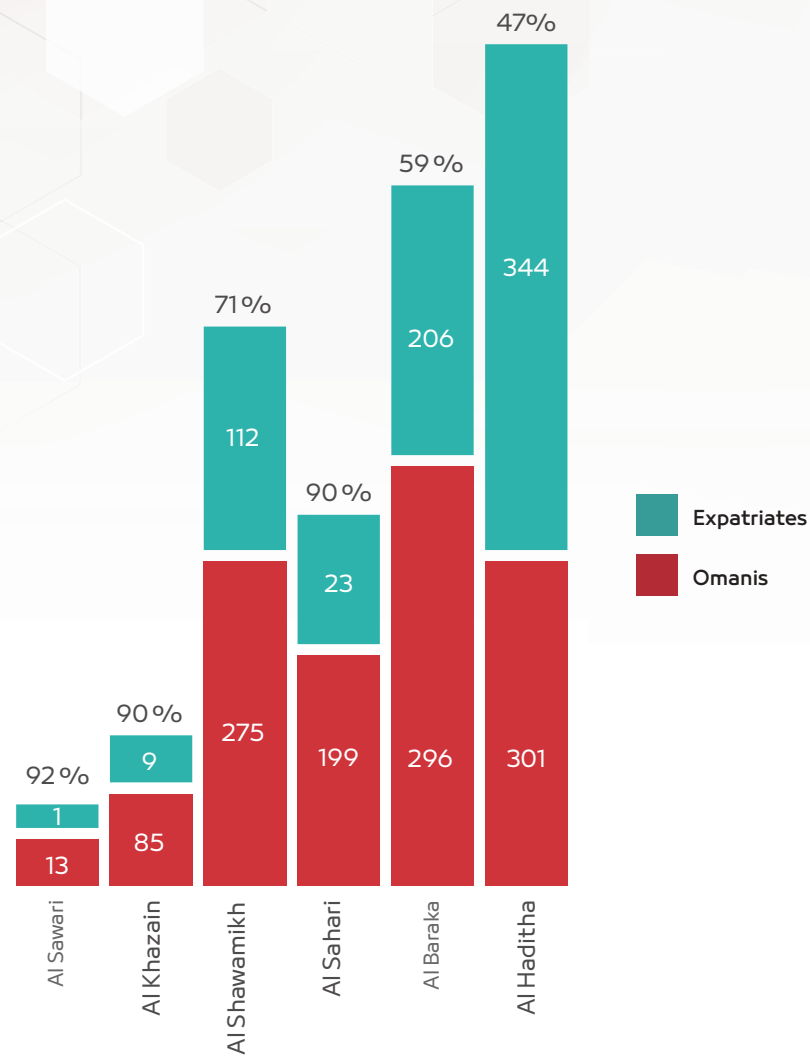
*villages at and nearby concession area

**contracts from PDO only

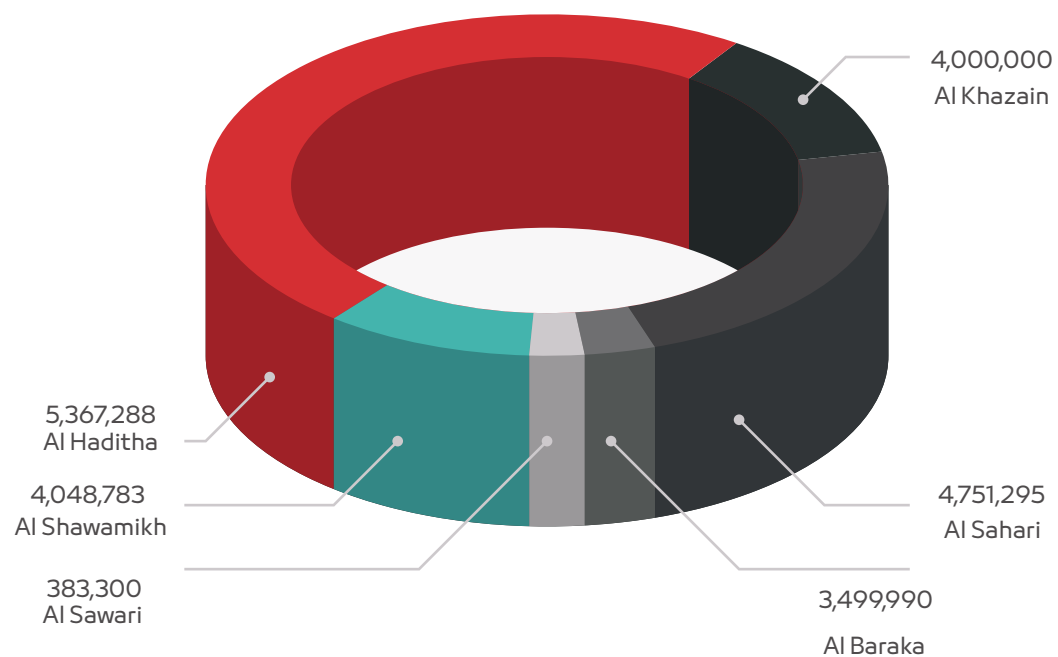
***contracts from Occidental Oman

**** contracts from CCED

Workforce and Omanization Rate at the Super Local Community Contractors (SLCCs) at the end of 2019



Capital of the Super Local Community Contractors (in RO)





Corporate Social Responsibility (CSR)

The Ministry of Oil and Gas continued its efforts in developing the CSR strategy for the oil and gas sector and the social investment framework with the operating companies emphasizing on the importance of sustainability and community services inspired by its leading role for decades, where CSR has evolved to be a major business pillar and an integral part to the exploration and production of oil and gas.

The team, with representatives from MOG and the oil and gas operators, is developing the general framework and reviews the projects submitted by the different authorities in consultation with relevant stakeholders. The process helps in identifying and selecting projects that enhance sustainability and social responsibility as well as ensuring that such projects meets the actual needs of the society, as well as being within the agreed focus areas which are:



- Training and Employment
- SMEs and Entrepreneurship
- Renewable Energy and Energy Management
- Scientific Research

In this regard, The Ministry has signed two agreements to support the training and employment of Omanis, which is the top of the priorities that the sector aims to support. The two initiatives are funded by Petroleum Development Oman (PDO), Occidental Oman, BP Oman, OQ, Daleel Petroleum and CC Energy Development. The projects are:

Outward Bound Oman Center in Al Jabal Al Akhdar

The Outward Bound Oman Center in Al Jabal Al Akhdar, an important project aims to create an interactive environment that attracts young people, with a unique opportunity to learn, train and gain practical experience. The Center provides youths with a series of educational courses and programmes that address a number of challenges aim to develop their skills, competency, experience and enhance their productivity

either at home, school or at work. The RO 2 million project will be managed by Occidental Oman on behalf of the six contributing companies to ensure delivery of the project in time and as per the agreed plan.

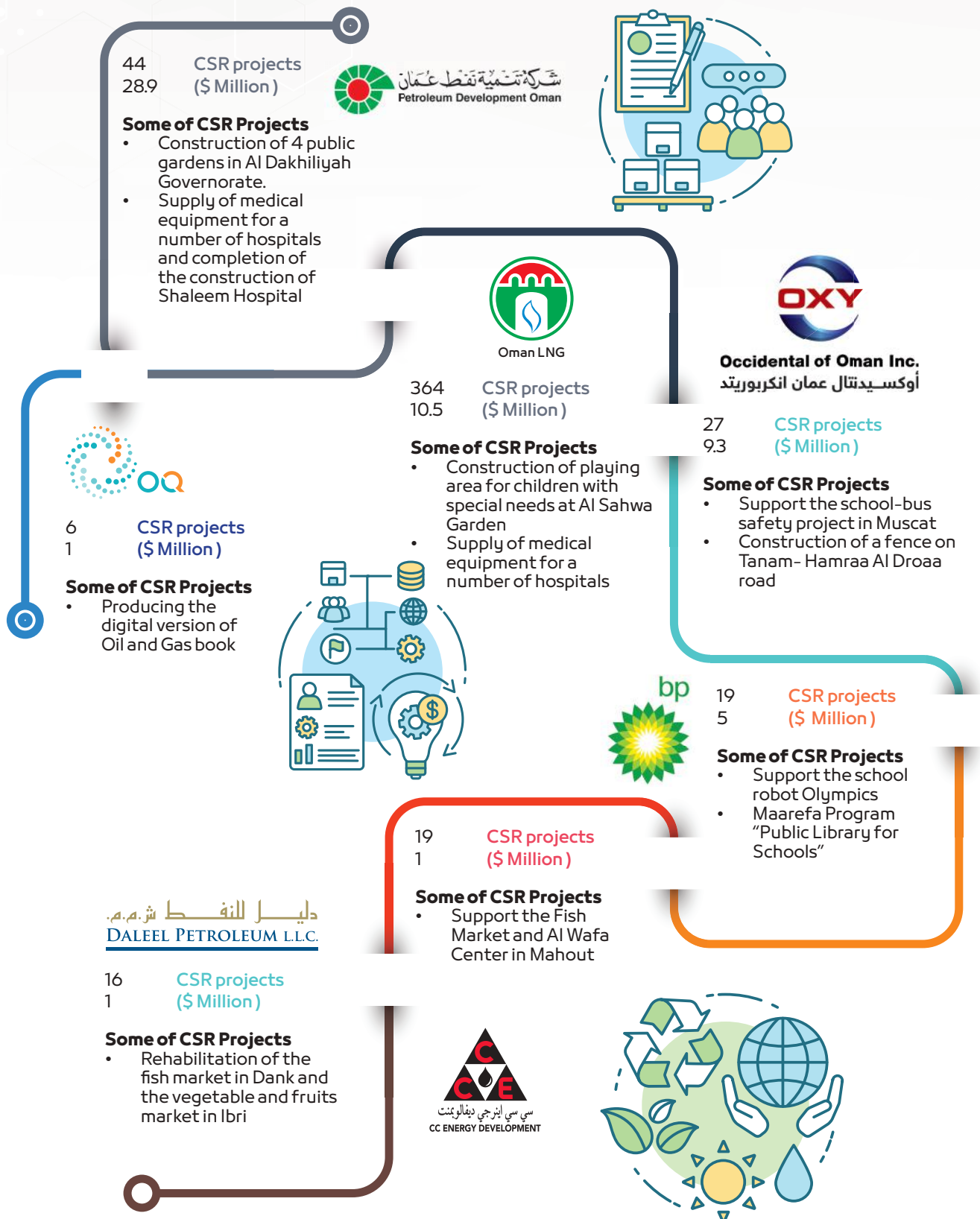
Building vocational workshops for people with special needs

The project aims to enhance the efforts of the Ministry of Social Development to integrate people with special needs in the society helping them to be active members and participate in the development of the Omani economy by providing them with employment opportunities that fit their personal capabilities and skills. The project includes the establishment of five vocational workshops for people with special needs, aged 18 and above, in Al-Wafa Centers in Al-Rustaq, Nizwa, Al-Amerat, Al-Mudhaibi and Salalah.

The total investment in this project is RO 500,000 (RO 100,000 for each center). Petroleum Development Oman (PDO) will manage and supervise the implementation of the project on behalf of the six contributing companies.

Highlights of CSR in some Oil and Gas companies

The oil and gas companies' efforts have continued towards effective CSR contribution through carrying out a number of projects and initiatives that cover a wide geographical area and target a large number of direct beneficiaries in the community. The projects focus on areas of priority for these communities such as education, health, youth, sports, rehabilitation of people with special needs in addition to small and medium enterprises (SMEs) and entrepreneurship. The following graph show the major oil & gas companies' efforts in 2019:





ELECTRICITY SECTOR

Electricity Sector *

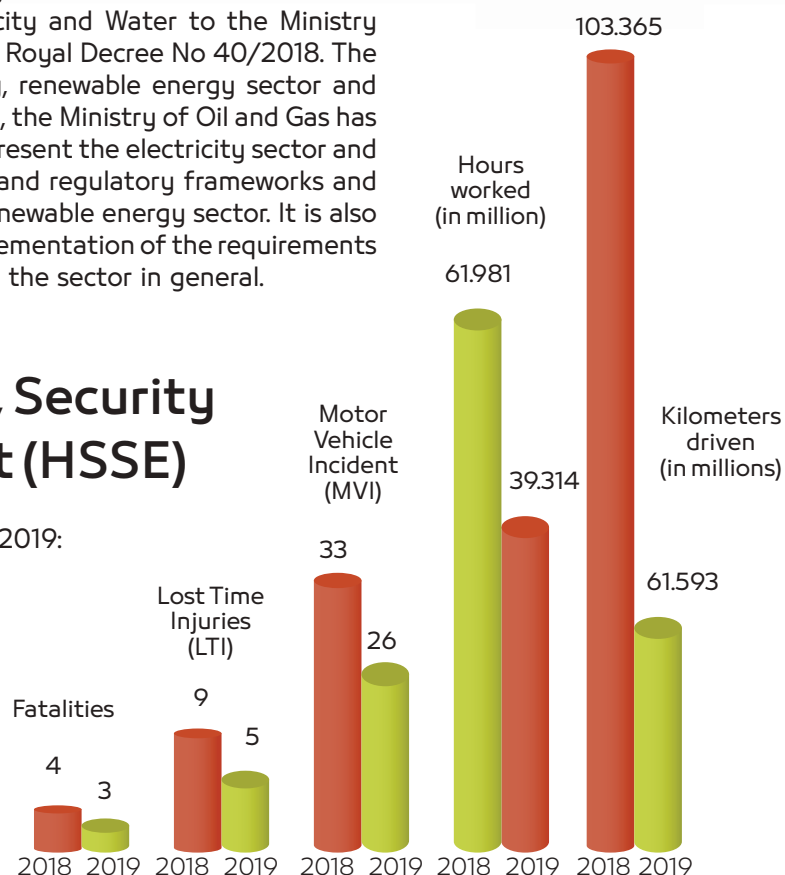
* Note: The data is only for Nama Group



The mandates of the electricity sector were transferred from the Public Authority for Electricity and Water to the Ministry of Oil and Gas in 2019 as per the Royal Decree No 40/2018. The mandates include the electricity, renewable energy sector and related technologies. Accordingly, the Ministry of Oil and Gas has become the sole authority to represent the electricity sector and for setting up of the legislative and regulatory frameworks and policies for the electricity and renewable energy sector. It is also in charge of following up the implementation of the requirements and supervising the efficiency of the sector in general.

1. Health, Safety, Security and Environment (HSSE)

HSSE statistics for year 2018 and 2019:



2. Omanisation

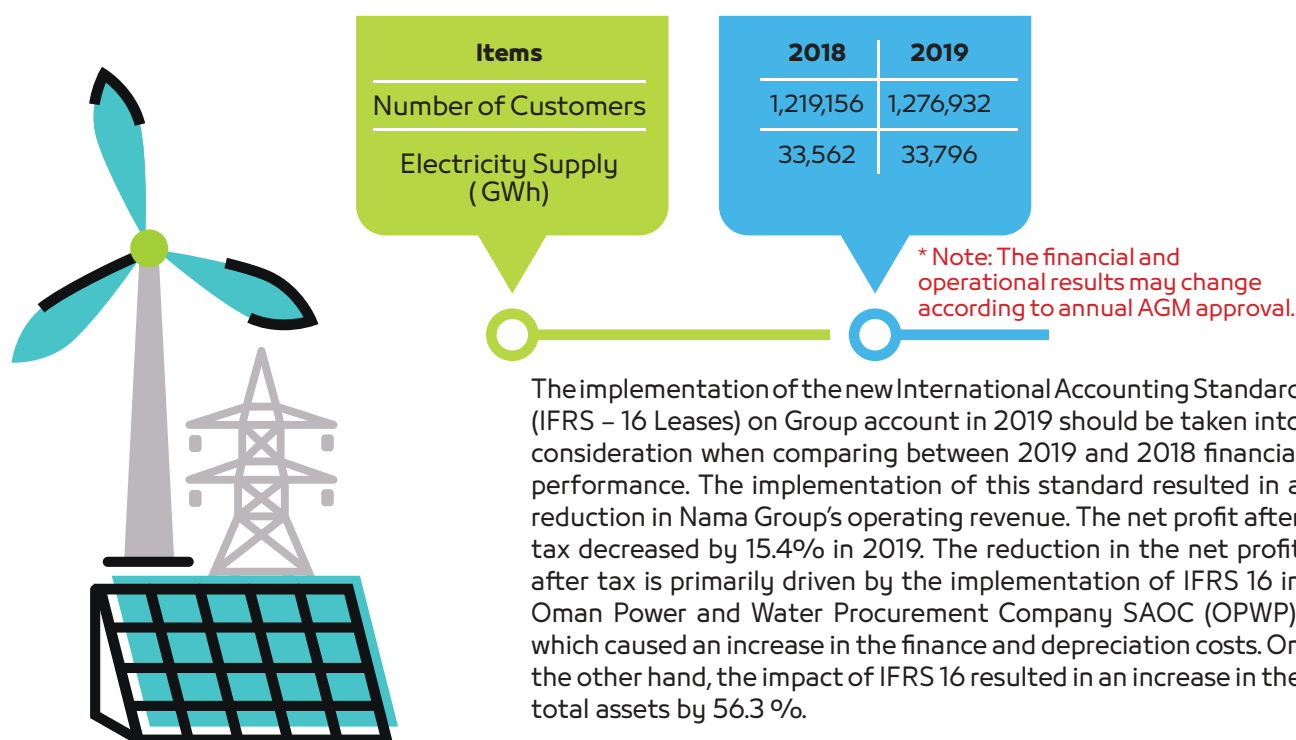
Omanisation Statistics in Electricity Sector for year 2018-2019

Manpower	2018		2019	
	Number of employees	%	Number of employees	%
Omanis	2561	94.50%	2525	95.1%
Expatriate	149	5.5%	131	4.9%
Total	2710		2656	
Employees Efficiency (Number of served Customers / Employee)	450		481	

3. Operational and Financial Performance 2019

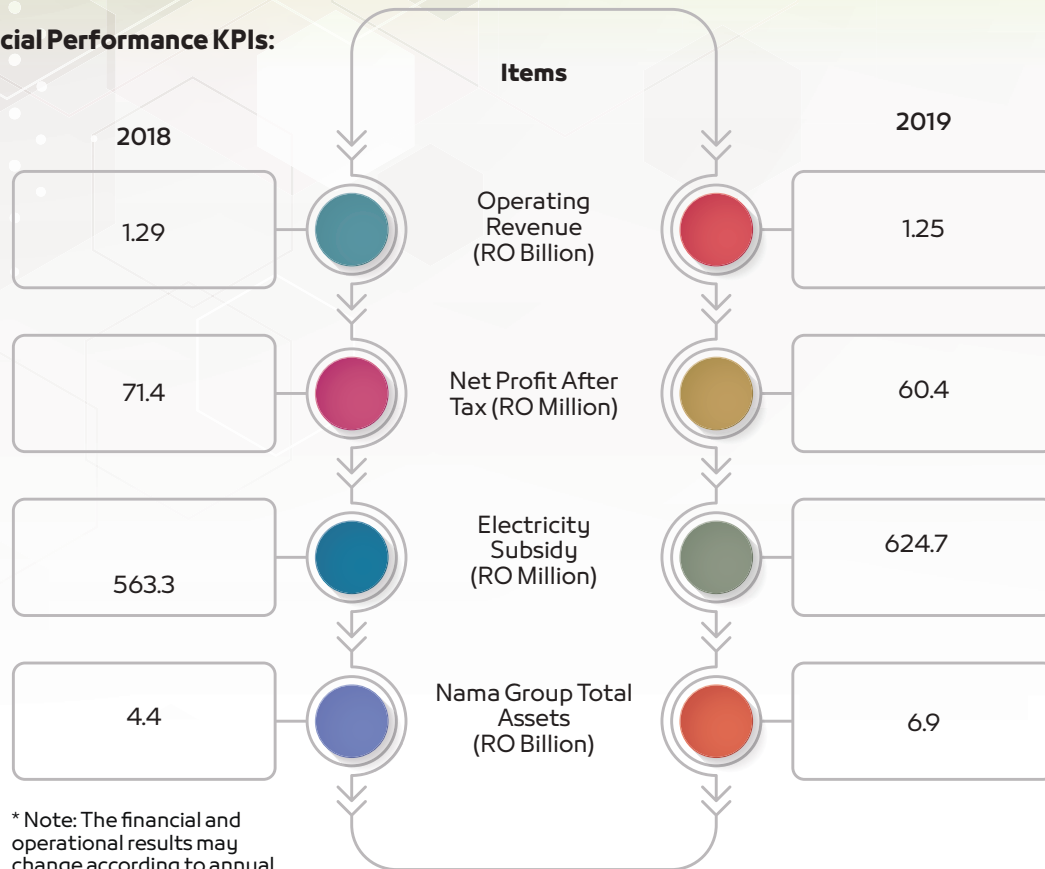
The electricity sector continued to grow in 2019; reaching out to more customers and new geographical areas and increasing generation and supply of electricity. In keeping with the growth in the electricity demand and meeting customers' satisfaction, Nama Group continued to invest in the electricity network. Nama Group invested RO 285 million in network expansion in 2019 as the customer base increased by 4.7%. In addition, the electricity supply increased by 0.7%.

Operational Performance KPIs:



The investments in new generation capacity (3,283 MW) and expansion of electricity transmission and distribution networks and the increase in the cost of financing led to an increase in the economic cost of electricity. This in turn led to an increase in the electricity subsidy for the year 2019 by 10.9%.

Financial Performance KPIs:



Capital and Operation Expenditures for 2018 and 2019:

	RO Million	
	2018	2019
Capital Expenditure	378	285
Operation Expenditure	1,247	1,276
Total Expenditures	1,625	1,561

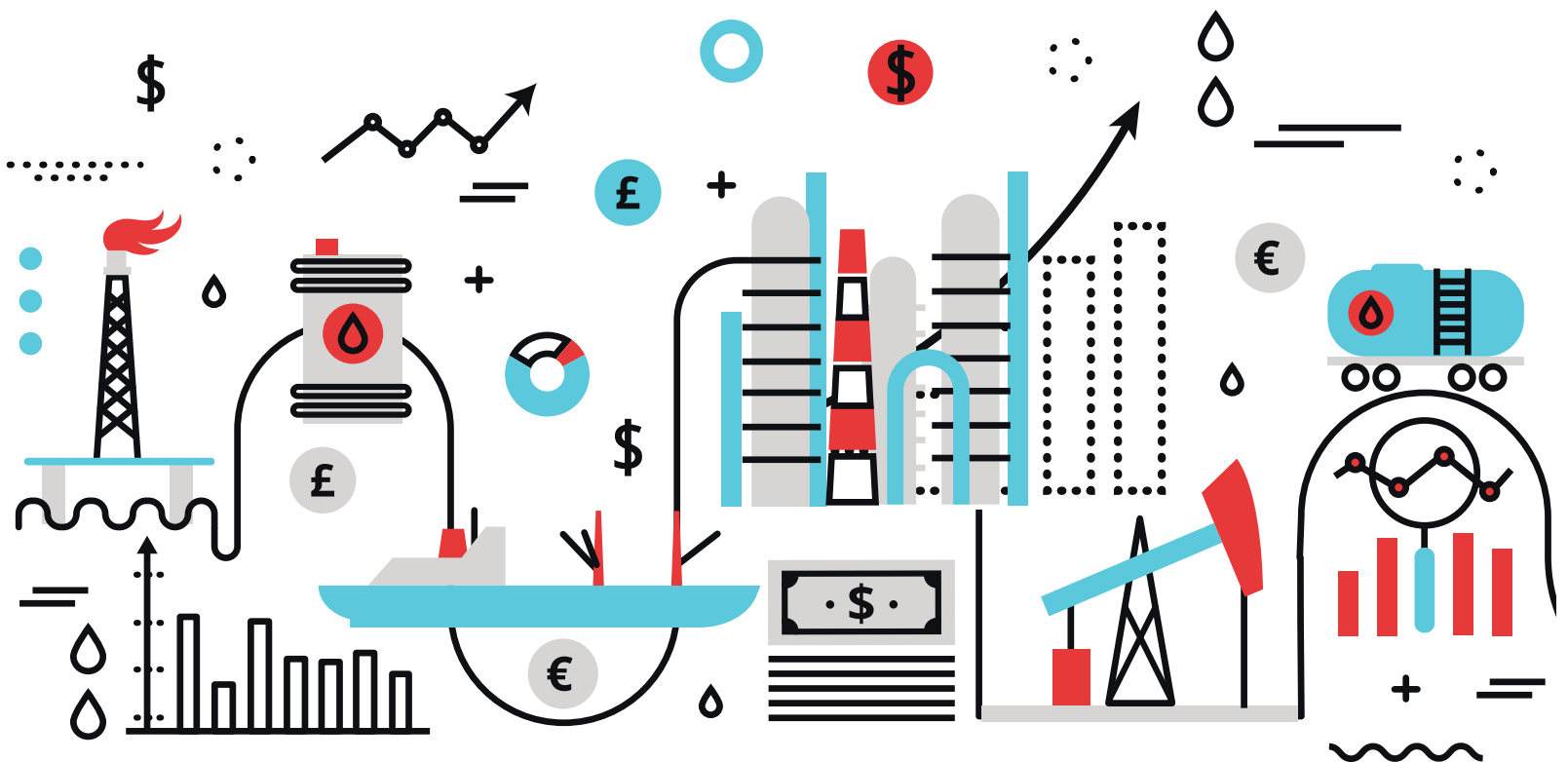
* Note: This may change according to annual AGM approval.



4. Major Projects

Project Name	Objectives	Important dates
Solar Independent Power Projects (IPPs)	Build, own, operate and finance a 500MW Solar Independent Power Project at Ibri, under Oman's well-established Independent Power Projects (IPP) programme.	The achievement of commercial operation is in the second half of 2021.
Dhofar Wind Project	To supply the electrical network with electric power. The wind farm consists of 13 wind turbines producing a capacity of 50MW.	The commercial operations started in November 2019
Manah Solar I & II IPPs	The procurement of Manah Solar I & II IPPs are in support of the Government policy to encourage the use of renewable energy to meet the growing demand for electricity in Oman. The projects will be located adjacent to each other at a site in Ad'Dhakhiliyah Governorate, approximately 150 km from Muscat. Each project will have a generation capacity of 500 MW.	It is planned that the award of the project will be in Q3 of 2020 and the projects are to be commercially operational by Q4 of 2022.
Wind Resource Assessment Campaign (WRAC)	The main objective of the WRAC is to obtain bankable wind resource data to support the future development of Wind Power Project(s) at each Project Area. Complementary objective would be to also collect solar irradiation data to support the development of Wind and Solar Hybrid projects at the identified sites.	The WRAC contract has been awarded in Q4 2019 and is expected to be carried out over a maximum period of 4 years, with an objective to collect wind resource data for a period of 12 consecutive months.
North-South Interconnect Project	<p>The 400kV interconnection will interconnect with Petroleum Development Oman (PDO) network in the oilfield heartland of the country, and will extend onward to Duqm and Mahoot area under Tanweer concession area where a major industrial and economic hub is under development. The implementation of the project will be done in phases. The estimated cost of the first phase is around RO 241 million with total length of 663KM. The major expected benefits of the projects are:</p> <ul style="list-style-type: none"> • Enable the network parties to trade electricity in an efficient and economic manner. • Improve future planning of electricity • Reduce the required reserve for the electricity network • Reduce the fuel required for electricity generation. • Ability to connect current and future renewable projects (established in far-flung corners of the country) to the integrated electricity network system. 	The first phase of the EPC - Engineering Procurement Construction - has been completed and all related tenders were floated. The full scope of the phase 1 of the project is expected to be completed by end of 2023.

Overview of Companies in Oil, Gas and Electricity Sectors





شركة تنمية نفط عُمان
Petroleum Development Oman

Vision

"To be renowned and respected for the excellence of our people and the value we create for Oman and all our stakeholders."

In 2019, PDO achieved:

- A record safety performance and enhanced asset integrity and process safety management
- Highest oil production since 2005
- Continued to drive a rigorous cost control and Lean business efficiency programme
- Exceeded our target by delivering more than 21,000 employment, training and re-deployment opportunities for Omani jobseekers
- Increased value retained in country and expanded the foundations for further growth in oil and gas and renewables.

Health, Safety and the Environment (HSE)

We are working to maintain and further improve our safety performance through multiple initiatives including the expansion of the 'Frontline Safety Leadership' for Supervisors programme to enhance leadership worksite engagement, communications and performance. Another successful initiative is the Ihtimam in-house developed behaviour-based safety (BBS) system which was expanded to cover 34 contractors by the end of 2019.

We also stepped up our drive on environmental sustainability guided by our five-year Environmental Strategy and Action Plan, a key enabler to achieve the overall corporate objectives of sustainable growth, operational excellence and meeting sustainability commitments.

Production

PDO continued its role as the country's swing producer, requiring us to operate in a highly dynamic mode, at times compensating for (unplanned) third party production variations.

- Average oil production in 2019 was 616,380 barrels per day (bpd), which is the highest since 2005. The South Directorate also recorded its highest ever monthly production performance.
- The average Government daily non-associated gas production during 2019 was 62.2 million m³, which was in line with customer demand, commensurate with PDO's role as swing producer.
- Condensate production (from gas production) was 77,950 bpd, almost 20% (more than 8,000 bpd) higher than the 2018 average, driven by the startup of the Rabab Harweel Integrated Project. As a result, condensate production in the fourth quarter of the year exceeded 94,000 bpd.
- The combined total average barrel of oil equivalent production per day (oil, condensate and gas) rose to 1.210 million boe/d.

Exploration

2019 was a successful year with oil and gas bookings made across PDO's concession area:

- A total of 136 million barrels of oil and 1.1 trillion cubic feet (Tcf) of non-associated gas (NAG) were booked as Commercial Contingent Resource (cCR) volumes in 2019. The unit finding cost (UFC) of oil was kept at US\$1 per barrel, with an overall UFC of US\$0.9/boe.
- The Exploration Directorate safely drilled 26 exploration wells and acquired over 8,000 km² of 3D Wide Azimuth (WAZ) seismic data in Block 6. The Geomatics team pioneered a trial of Beyond Visual Line of Sight (BVLOS) remotely piloted aircraft to conduct visual surveillance of items such as wellheads, flowlines and overhead lines to enable a safer and more efficient in-field monitoring.

Well Engineering

PDO's Well Engineering Directorate managed to achieve the best ever recorded cost per meter drilled in PDO's history, through effective continuous improvement and 'gap to potential' methodology. It also managed to sustain overall



efficiency in terms of drilling time per meter despite the increased complexity of the 2019 drilling scope. Overcoming various challenges, the directorate delivered 620 wells adopting increasingly efficient real-time management that resulted in lowering Non-Productive Time (NPT) to 8.2%. The directorate also carried out over 25,000 Completion and Well Intervention (CWI) activities – the highest number recorded with the same number of resources compared to 2015 when we carried out some 13,000 well entries.

Lean/Business Efficiency

We continued to embed more efficient ways of working across the full spectrum of our business, significantly scaled up our Lean efforts and embarked upon an organisation-wide Lean transformation journey. The “Pan-PDO Lean Transformation” has led to the delivery of US\$250 million in value and completion of more than 100 Lean projects in 2019.

In-Country Value (ICV)

PDO’s National Objectives programme – which encompasses job, training, redeployment, transfer and scholarship schemes – created 21,012 employment opportunities for Omanis both in and outside the oil and gas sector. PDO stayed the course with its commitment to retain more of the wealth of the oil and gas industry in Oman and managed to retain a value in country of 46% in 2019. We supported the opening of two factories supplying vital equipment and drilling chemicals to the oil and gas industry. In total, PDO has incubated and supported the opening of 52 oil and gas products manufacturing plants over the last six years. In 2019, the total cumulative revenue from PDO contracts for Super Local Community Contractors (SLCCs) was more than US\$145 million, the Local Community Contractor (LCC) spend (revenues) was around US\$212 million and matured LCC spend was about US\$258 million.

Staff Development and Recruitment

At the end of 2019, PDO had 8,828 staff, of

which 7,436 were Omanis. The Omanisation rate increased from 81% to 84%. There were 1,123 women on staff, including 1,061 Omanis, the highest number in PDO. A total of 658 Omanis were hired in the year, a 35% increase on 2018, and the total number of Omani graduates was 721.

More than 1,913 staff have enrolled in our Graduate Development Programme (GDP), which now covers more than 50 technical and non-technical disciplines, such as mechanical engineering, petrophysics, geosciences, real estate commercial services and finance. PDO currently has 124 scholars and development staff studying at different degree levels in different universities around the world, and 75 celebrated their graduation last year.

Social Investment

Our focus throughout the year was on four social investment themes namely learning and research, community infrastructure development, health, safety and environment (HSE), and youth and women empowerment.

We committed to 44 new social investment projects, totalling around US\$28.9 million, 86% higher than in 2018. These projects will have tangible impacts on the quality of life of thousands of people living in our concession area and beyond, including infrastructure development, training and provision of technology and equipment. A further US\$1.2 million was distributed in sponsorships, grants and donations to support impactful initiatives from local organisations. Following its completion in 2018, the second phase of Project Prism, an industry-first initiative aiming to improve contractor welfare standards for those working in the Interior by embedding a duty of care mindset across the wider PDO contractor community commenced in October 2019. The final goal of the project is to support, enable and empower contractors to run their own worker welfare engagements and infuse a duty of care culture into their “DNA”, thereby ensuring a safer, more productive and inclusive working environment.



Occidental of Oman Inc. أوكسيدنتال عمان انكربوريتد

About Company

Occidental of Oman, Inc. is a wholly owned subsidiary of Occidental, an international oil and gas exploration and production company, and one of the largest U.S. oil and gas companies based on equity market capitalization. Occidental has been producing in Oman for over 30 years, where it has steadily increased production and reserves, and is honored to partner with the Government of Oman.

Today, Occidental is the largest independent oil producer operating in the country, with major operations in the north, primarily at Safah Field, and in central Oman at Mukhaizna Field. Occidental was recently awarded three new exploration blocks, more than doubling its land position in Oman to 6 million gross acres.

Health, Safety and Environment (HSE)

Occidental Oman had good safety performance in 2019, with a combined Total Recordable Cases Frequency (TRCF) of 0.24, which is 25% less than 2018. In 2019, the company saw one Occidental Oman employee recordable injury and

9 recordable contractor injuries. Occidental Oman employees and contractors worked more than 41.6 million man-hours in 2019. Also, the Motor Vehicle Incident Rate (MVIR) has reduced by more than half when compared to last year (0.25), having driven more than 74.9 million kilometres. In 2019, major HSE programs launched including "JSA Supervisor", "HandSafe+", "HazRec, JSA and HSE Meetings", "Train the Trainer", "HSE Data Analytics", biometric screenings for employees, and health surveillance campaigns for the contractor community.

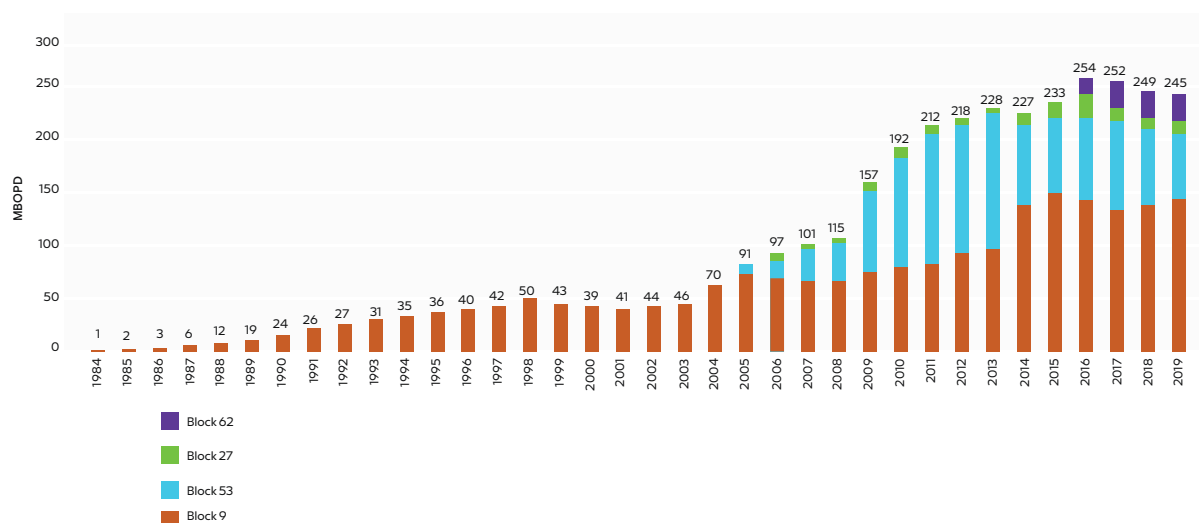
Key Achievements in 2019

Occidental Oman achieved the planned production target. We have maintained activity levels and production despite market conditions and low oil price environment.

Exploration

The 2019 program resulted in 16 discoveries with 66% success rate for the year. We also acquired more than 2,024 KM² of new 3D wide-azimuth seismic data in Block 72.

Production Growth





Human Resources

Occidental Oman has developed and implemented a long-term sustainable hiring strategy for Omanis. This strategy has created more than 2,660 employment opportunities that have been filled by Oman's national workforce since 2005. This has resulted in 92% Omanisation of Occidental Oman's workforce as of 2019:

- Approximately 55% of the Omani hiring were job seekers. More than 1,500 job seekers were hired, including fresh graduate degree holders and diploma holders.
- Total of 406 locals from concession areas that we operate in were hired and trained to become competent operators and technicians.
- In 2019, Occidental Oman hired around 300 job seekers, and efforts are ongoing to define more opportunities to support its long-term Omanisation plans.

Occidental Oman's Talent Management Strategy has resulted in the development of Omani leaders who have stepped into varying leadership roles. As of 2019, Occidental Oman's top management and overall leadership roles were at 69% and 87% Omanization, respectively.

Sustainable Development and Social Responsibility Programs

- Funding the Sustainable Energy Research Center (SERC) at the Sultan Qaboos University.
- Funding five scholarships for Omani nationals from Occidental Oman concession areas.
- Honoring high performing school students in Al Wusta Governorate, Wilayat Adam, Hamra Al Doroa and Wilayat Bahla. Honoring the top 100 General Education Diploma graduates.
- Printing the book, "Declared Nature Reserves in the Sultanate of Oman" by the Ministry of Environment & Climate Affairs.
- Supporting the Oman Cancer Association by purchasing a new Mobile Mammography Unit.
- Exclusively Sponsoring the Oxy Sports School Program for Muscat governorates schools.
- Constructing Hamra Al Doroa's first public park in the area.
- Exclusively sponsoring the Al Roya Youth Awards Initiative for the sixth year.

In-Country Value (ICV)

The ICV contribution of Occidental Oman's top

80% contractors based on annual spend reached 47% for the period Q1 to Q3 2019, compared to 45% during 2018. In support of ICV initiatives, Occidental Oman established a development program for Omani Small and Medium Enterprises (SMEs) in 2013. As of end of Q4 2019, the headcount of the participating SMEs increased to 326 and achieved a growth up to 51%. The average Omanisation within the participated SMEs reached 76% in the same quarter, with a total of 225 Omanis headcount, and three SMEs have already achieved 100% Omanisation. Overall, participants achieved up to 215% total increase contract value, reaching a comprehensive total increase of USD 151 Million.

In addition, 9 ISO Certifications and 1 API Accreditation have been received by the participant SMEs. 74 participants' personnel have been enrolled in soft skill training, and 38 participants' personnel have been enrolled in technical training. In addition, Occidental Oman has initiated and supported a number of ICV initiatives to improve the capacity & capability of Omani contractors, which has resulted in the creation of new employment opportunities, and enhancement of Omani SME capabilities.

- Occidental Oman identified three manufacturing opportunities; two for supplying Dolomite Lime (Gulf Triangle Group of Companies and Muscat National Petrochemicals) and one for supply of Flexible Flow Line Pipes RTP and Fittings (Supplies LLC and Duqm Hontong Piping).
- Awarded a contract to a local manufacturer (Oman Chlorine SAOG) to supply Caustic Soda, as part of an ICV Initiative.
- Sponsored a new ICV opportunity for manufacturing of Casing Accessories (Desert Sand Oil and Gas).
- Awarded a contract to a local company (Falcon Oil Field Services) for High Temperature Logging, as part of an ICV Initiative.
- Awarded Vendor Development Program (VDP) scope for Shaker Screen Fluid Vacuum System (Hormuz Energy Services).
- Awarded VDP scope for Provision of Refurbishment of Screws & Liners (Advanced Oilfield Technology Co).



Oman LNG

Profile

Oman Liquefied Natural Gas LLC (Oman LNG) is a joint venture established by a Royal Decree in 1994. It operates under the laws of the Sultanate of Oman and engages in the business of selling liquefied natural gas (LNG) and its by-products as well as natural gas liquids (NGLs). The company undertakes project operations and related activities essential to liquefy, store, transport and market Oman's natural gas and deliver LNG to customers aligned with the Government's objective of diversifying the economy. Oman LNG operates three liquefaction trains; two owned by Oman LNG LLC and one by Qalhat LNG SAOC, with a capacity of 10.4 million tonnes per annum (mtpa) at its plant in Qalhat in South Sharqiya Governorate.

Health, Safety, Environment (HSE)

Oman LNG emphasizes safety as the most important consideration in all its operations and related business activities, making it the central priority for all work executed by its people and contractor personnel. 2019 witnessed another remarkable year of record breaking achievements in HSE among many other areas of the business. At the end of the year, over 35 million man-hours were achieved without a Lost Time Injury (LTI), the equivalent of working for 3,492 days, or over 9 consecutive years without a single breach of safety. In addition, more than 31 million kilometres were driven without a Lost Time Injury (LTI). Such record-breaking triumphs are a clear evidence of Oman LNG's unflagging commitment to HSE and proof of its ever-vigilant focus on safety.

The company also retained its International Organisation for Standardisation (ISO)

certification, attesting to its strict adherence to globally recognised standards in managing Quality, Health, Safety and Environment (QHSE) matters. Furthermore, it received a new certification for Occupational Health and Safety Assessment. While these achievements in HSE excellence are exceptional, Oman LNG is not resting on its laurels and continues to take proactive steps to ensure it reaches new levels in safety for its entire workforce. The company has implemented the Behaviour Based Safety (BBS) Programme which emphasizes Visible Safety Leadership to observe, engage and enthusiastically influence as well as nurture its HSE culture. This will develop and sustain its top-quartile HSE performance even further.

Key Achievements

The company is proud of ending 2019 by reaching a new production peak of 10.7 million tonnes of LNG. In line with this, the company delivered 166 LNG cargoes to customers globally. The company's performance in these areas have been duly recognised as Oman LNG was bestowed with the renowned "Shell's Production Leadership Team Award", and "Best LNG Company in the Middle East" by International Investor. With increased LNG production, maintaining top-quartile HSE performance and embedding a safety culture are all the more important.

IN-COUNTRY VALUE

In-Country Value is one of Oman LNG's strategies to raise the profile of the country's economic status. This is done by utilising local resources and expertise, thus increasing the total amount of funds spent within Oman.



Many employment opportunities have been created through Oman LNG contracts, including forty-six (46) training opportunities delivered to support the development of local talent and advance their competencies. Oman LNG also supported six (6) Development Programmes extended to over one hundred and twenty (120) SMEs to boost and leverage capabilities through relevant training. To boost ICV, Oman LNG also supported the installation of LED lights across the facilities of Sur General Hospital, and funded the Fourth Industrial Revolution Programme at Sur Vocational College targeting hundreds of students and teaching faculties.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility is an integral part of Oman LNG and its Development Foundation. It is a means to add sustainable, long-term value to Oman by directly addressing the various needs of the people, local communities and development sectors. As a result of its contributory efforts the Foundation was recently honoured by its peers in the Gulf with the Arabia CSR Award. The company allocates 1.5% of its Net Income After Tax (NAIT) to CSR, partnering with both the public and private sector to enhance the quality of life in its communities, and more generally, across the entire Sultanate. In 2019, the sphere of social investment programmes under Oman LNG continued to grow and thrive in magnitude, as well as in purpose.

Some of the projects to highlight include:

- Funding the Renewable Energy Competition, STEM Laboratories and renovation of Computer Laboratories at CAS-Sur
- The completion of construction phase of the National Autism Centre
- Construction of an outdoor playground designated for children with disability, at Al Sahwa Park, Muscat
- Funding the Kidney Dialysis Equipment in Bausher, in partnership with the Ministry of Health
- Purchase of medical equipment for the Kidney Dialysis Unit in Taqa Hospital
- Funding the Medical Simulation Centre to boost the technical experience of the Oman Medical Specialty Board
- Funding the enhancement and improvement of IT Laboratories at Sur College of Applied Sciences
- Funding the establishment of "Prototyping Centre" in partnership with The Research Council

Going forward, the Foundation will continue to pursue its sustainable development initiatives by actively seeking partnerships to further ground the investment arm, and expand on fostering subject matter experts so that its contributions are incisive solutions for addressing challenges in the society.



BP and Oman – there's energy in this partnership

BP has been involved in oil and gas production in Oman for decades and is responsible for delivering gas from the Khazzan field in Block 61, central Oman. Early 2019, BP and Eni signed a heads of agreement with the Ministry of Oil and Gas to jointly work towards the award of a new exploration and production sharing agreement for the adjacent Block 77.

Working together in Oman

Located in the Block 61 concession area, the Khazzan field began production in September 2017 and produces a significant proportion of the nation's gas supply. This currently totals around 28 million cubic metres of gas (1.0 billion cubic feet of gas) and 33,800 barrels of condensate a day and with 66 wells up and running. With development also now moving apace in the neighbouring Ghazeer extension, production is expected to rise to 42 million cubic metres of gas (1.5 billion cubic feet of gas) and 40,000 barrels of condensate a day by mid-2021. The project is over 90% complete; central processing facility (CPF) construction is 89% complete. BP is the operator of Block 61, holding a 60% interest. Oman Oil Company Exploration & Production holds a 30% interest and PC Oman, a wholly owned subsidiary of Petronas, holds 10%.

Keeping our people safe and reducing our environmental impact

Safety

At BP, we aim to foster a genuine culture of care for our workforce, whether it's our own employees or those indirectly working for us through contractors. Our safety approach adheres to internationally recognised industry standards, but also draws on the decades of experience across BP's wider global operations. Safety training and education is central to delivering upon this commitment in Oman, along with continuous tracking of safety performance and new technologies.

In 2019 we:

- Worked 4.8 million hours without a lost time injury
- Drove 14.4 million kilometres at Khazzan and Ghazeer without an accident.
- Won the Ministry of Health's Excellence award for the 'Best Private First Aid Clinic' for the Khazzan medical clinic. The clinic, operated in partnership with International SOS, serves over 5,000 people.
- Implemented new technologies to monitor and reduce our environmental emissions.
- Achieved a deepened safety leadership culture.
- Improved our compliance task management, contractor safety management and crisis management/emergency responses.
- Strengthened our process and personal safety performance through self-verification and oversight activities.
- Built in human performance capability and accelerated the HSE Excellence program.

Environment

In BP Oman, our goal is to protect the environments in which we operate by mitigating our impact and respecting the resource needs of communities which depend on them. A key element of our strategy is a framework to 'reduce, improve and create'. We are committed to reducing greenhouse gas emissions; improving our products to help customers and consumers lower their emissions and creating low carbon businesses. This enables us to monitor changing trends, consumer preferences and legislation, and provides us with optionality to adjust our portfolio and adapt to the future. In 2019 we reduced our emissions by 134,000 teCO₂e. This was achieved through improved energy efficiency and reduced flaring via green completion projects.

Methane monitoring at Khazan

We're in the process of deploying a gas cloud imaging camera that will continuously monitor our facilities and identify leaks earlier than through routine inspections, thus reducing the



total amount of methane emitted. If a leak is detected, the camera sends an automated alert to the control room. The first unit was installed at our Khazzan gas field and builds upon our experience of using gas cloud imaging technology at other BP global facilities. Drone surveys in 2018 demonstrated that the Khazzan plant is operating according to its low methane emissions design.

BP's commitment to Oman in-country value

BP is proud to support the sustainable development of Oman society. We do this through three main strategies: supporting local business growth and overall economic productivity; encouraging the development of Omani skills and capability; and generating employment and training opportunities.

1. Working with Omani suppliers

As a result of our commitment to maximising in-country value, 91% of our total spend in 2019 – approximately \$1 billion – was directed to Omani registered companies, an increase compared to the previous year. With the wave of new contract awards for Khazzan and Ghazeer, six main construction packages were awarded to Omani companies with a value of circa \$300 million. Using the Joint Supplier Registration System (JSRS) more effectively resulted in an improved and enhanced the participation of local suppliers in the tendering and selection process.

The awarded scopes included: road construction, gas gathering pipeline installation, gas export pipeline construction, well site services, pipeline route surveys, electrical and mechanical services etc. Where applicable, BP mandated certain scopes

for the contractors to procure from SMEs and LCCs. In Khazzan, we are supporting a local company to become a global market leader in providing well stimulation services and compete with multinational companies in the Middle East and beyond through a Vendor Development Plan (VDP).

In 2019, BP was the first to pilot the MOG mandated e-tendering tool with subcontractors. This tool enables subcontractors to digitalise their sourcing process, further building their competitive edge in today's digital world.

2. Omanisation and capability development

Over 79% of BP Oman employees are Omani, including half of our leadership team. Our aim is to reach 90% Omanisation by 2025. Over 80 Omani graduates have been recruited via the BP Challenge programme since it launched in 2010.

The Technician Development Programme was set up in 2012 to recruit Khazzan's Technicians of the future. In 2018, 20 technicians joined the 84 who had previously graduated from the programme. Additional technicians participated in training at Takatuf Petrofac Oman (TPO) and were moved to the field to help with Ghazeer operations by end of 2019. Working abroad is a recognised way to gain and share knowledge and experience. 17 BP Oman staff are currently working across BP's global operations to build their capability

3. Social Investment Programme

In 2019, we celebrated the fifth anniversary of our unique Social Investment Program. Around 55,000 people from across Oman have now benefitted from more than 70 initiatives that have made up the scheme so far.

دليل النفط ش.م.م.

DALEEL PETROLEUM L.L.C.

About Daleel

Daleel Petroleum Company LLC is a 50/50 joint venture registered in Oman between Petrogas SAOC (as the Omani Business Partner) and Petrogas BVI (the Chinese Business Partner on Behalf of CNPC). The company was formed during the second half of 2002 following the assignment of Japex's interest in Block-5 to Petrogas BVI in July 2002 and subsequent re-assignment to the existing joint venture participants. Daleel Petroleum Company's sole activities are mainly exploration, development & production of hydrocarbon reserves in Block5 located onshore in the Sultanate of Oman approximately 450 km SW of Muscat.

Daleel Petroleum Company aims to maximize the development of oil and gas reserves of Block-5 and to do so in a responsible and cost effective manner for the social and economic benefit of the shareholders, people of Oman and employees of the company. The company shall, through selective investments in proven and emerging technologies, and the diligent management of costs and operating procedures, maximize the economic performance of the joint venture.

The business objectives for Daleel shall be achieved while at all times maintaining the highest regard to the health and safety of its employees, subcontractors and people affected by operations while complying with all legal requirements of the Law of Oman. Daleel Petroleum Company is committed to the sustainable development of the company and people of Oman considering below mission, vision as shown in below:

Our Vision: We want to maximize the potential of our assets and pursue new opportunities while building on our successful track record.

Our Mission: To develop oil and gas resources in Oman safely, efficiently and responsibly in order to maximize stakeholder value.

Quality Health, Safety, Security and Environment (QHSSE):

- Successful Achievement of ISO Certifications for three International ISO standards for the 5th consecutive year:
 - ISO 9001:2015, Quality Management System
 - ISO 14001:2015, Environmental Management System
 - ISO 45001:2018, Occupational Health and Safety Management System.

IN-Country Value (ICV)

As one of the leading producers in the oil and gas sector, Daleel Petroleum has given the industry a unique set of opportunities; especially to the small and medium enterprises that service the E&P operators in core activities. Below are some of ICV initiatives & achievements through 2019:

- Daleel is one of the leading operators in Omanization with a rate of 95.5% achieved in 2019. It's worth mentioning that Daleel employed a total of 80 Omanis; 40 fresh graduates and 40 professionals in operational and support departments during 2019.
- Until 2019, Daleel maintained 95% of its Spend on locally registered suppliers & vendors through awarding a number of competitive bids. In the same period, 10.5 % of Daleel's total contracts spend was directed to SMEs (Small & Medium Enterprises) which were in projects contributing and adding financial and technical value to the national market.
- Daleel signed a total of 5 Memorandums of Understanding with concerned authority to create a total of 213 Job for Employment in different sectors; aviation, industrial and oil and gas.
- "Khutwah Initiative" Daleel Petroleum and Al Raffad Fund signed a Memorandum of Understanding (MoU) to upskill 50



entrepreneurs in managing their business, enhance creativeness and innovative to run the business in a dynamic economy.

- "TASARA Program" objective is to accelerate and develop entrepreneurs in boosting their business. Under the patronage of HE. Eng. Salim Al Aufi, Undersecretary of Ministry of Oil and Gas, "TASARA" program graduated (10 candidates) and completed its first batch successfully and has started its second batch recently.

Social Responsibility

Daleel Petroleum invests in community and sustainable development in the areas of education, health, environment and special community needs. Our contributions include the development of local community infrastructure, the support for municipal initiatives, charity associations, as well as education and environmental initiatives. Below are some of the contributions implemented in 2019:

School Support Projects

Supporting schools projects in three governorates each year (Al Dhahira + 2 other Governorates). All the projects are implemented in cooperation with Ministry of Education, the projects aim at providing the schools with technologies to enhance the quality of education provided.

Sponsoring 9th Engineering Forum

As a part of Daleel responsibilities to support students in developing their skills and experiences, Daleel supported the 9th Engineering Forum organized by the Engineering Society at Sultan Qaboos University.

Renovating Ibri's Fruit & Vegetable Market

With an objective of enhancing the quality of public services which touching the need of people, Daleel Petroleum came with an initiative to renovate the Fruit & Vegetable Market in Ibri. The project was executed in cooperation with the Ministry of Municipalities and Water Recourses.

Renovating Dhank Fish Market

Daleel, in cooperation, with the Ministry of Municipality and Water Recourses has collaborated on a project to renovate Dhank Fish Market located in the Wilayat of Dhank. The project aimed at adding ice cooling unit and central refrigerators to support the availability of fresh fish products.

Playground Area in Hamra Al Dura

Part of Daleel Petroleum programs towards supporting different Social Responsibility initiatives, the company has constructed a playground creating an environment that would encourage Omani athletic talents. The project is expected to offer a suitable area for excising different sports like football and handball. This initiative was implemented in cooperation with Ibri Sports Club in Hamra Al Dura in Ibri.

Ramadhan Charity Campaign

Daleel Annual Charity Campaign directed towards supporting the needy families in Al Dhahira by providing necessary food items needed during the Holy Month of Ramadhan. Additionally, the campaign encouraged Daleel employees to participate in supporting the needy people. A total of 500 families benefited from the campaign.



About Company

CC Energy Development S.A.L. (CCED) is a dynamic, independent international Oil & Gas operator with a growth mind-set that thinks globally but acts locally. We are a diverse, ethical and responsible organisation that believes people are key to our success and we ensure we benefit the communities we work in. Our successful exploration strategy has organically grown our business with current production exceeding 45,000 bbl/day. CCED has growth as a core mind-set and we are developing our capability to increase our production significantly.

Our Vision

A sustainable, long-term value generating business for CCED & Oman with:

- A culture that has people as it's most valuable asset, puts HSE at the forefront of decision making and drives opportunities to increase the value of the business

- An organizational structure and business processes that ensure value is created from each barrel produced
- A long-term value generating growth agenda
- A cost efficient operational model enabled by technology

Our Assets & Milestones

CCED's operating footprint is in Blocks 3 & 4, one of the largest concession areas in the Sultanate of Oman.

CCED Assets in Oman

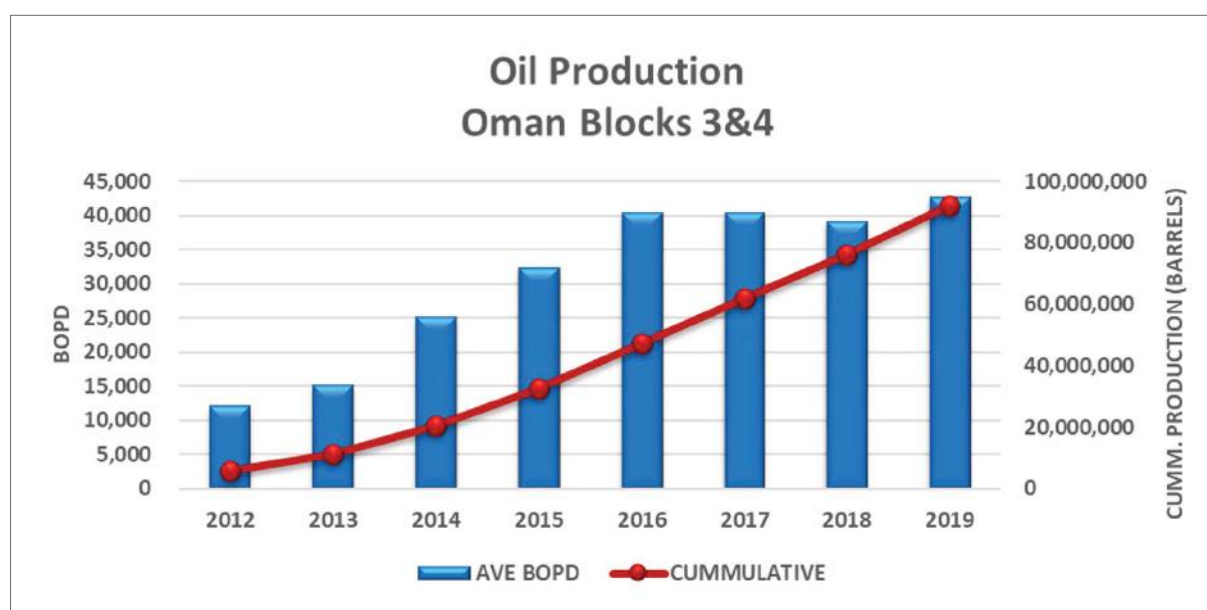
Onshore Blocks 3 & 4

- | | |
|------------------------------|----------|
| • CCED | Operator |
| • Tethys Oil | Partner |
| • Mitsui E&P Middle East B.V | Partner |

CCED Key Milestones in Oman (until 2019)

- License Acquired: 2008
- Exploration Well Drilled Q2/Q3-2009
- Early Production Commenced: Q2-2010
- Commercial Declaration: December 2012
- Average Production of 40,000 bopd Achieved: 2016
- 50 million Barrels Produced: March 2017
- Record production of over 45,000 bopd was achieved during 2019
- An extensive further phase of exploration work were agreed in 2019

Production Growth (2012-2019)





Drilling	Seismic
<ul style="list-style-type: none"> • Rig count in 2012: 2 Rigs • Rig count in 2013: 2 Rigs • Rig count in 2014: 3 Rigs • Rig count in 2015: 4 Rigs • Rig count in 2016: 4 Rigs • Rig count in 2017: 3 Rigs • Rig count in 2018: 3 Rigs • Rig count in 2019: 3 Rigs 	<ul style="list-style-type: none"> • 2013 CCED completed 1,668 km² 3D and 850 km 2D • 2014 CCED completed 1,600 km² of 3D • 2015 CCED completed 1,300 km² of 3D • 2017 CCED completed 320 km² of 3D • 2018 CCED completed 2,470 km² of 3D • 2019 CCED completed 2,350 km² of 3D

Building Capability

CCED believes its technical excellence is built on the ability and potential of its people. We are committed to developing Omani capability at all levels of the organisation. The total workforce is around 750 people and currently 83% of these are Omani. CCED provides a challenging and stimulating work environment for young graduates with opportunities across various technical functions such as Petroleum Engineering, Geology, Project Engineering and Operation & Maintenance Engineering. Well-developed people practices make working at CCED both enjoyable and rewarding, while providing aspiring Omani talent the platform to learn and grow in their careers.

Committed to grow the Omani Economy

CCED places strong emphasis on growing the local economy. We believe that it is our responsibility to invest in the communities we work with and develop business that can bring value to Oman.

Our In-Country Value (ICV) programme is based on these core pillars:

- Omanisation through employment, education, training and development

- Supporting local community contractors.
- Assisting in developing and promoting newly established Omani Companies and ensuring that knowledge and training is passed to those companies
- We have been supporting the development of the Super LCCs and recently signed our first contract with AL Sawari.

Health, Safety & Environment

As an organisation that has people at the centre of everything, HSE is a core value of CCED's business. Strong and visible leadership is delivered through our commitment to building trust, adhering to Life Saving Rules, empowering our workforce to intervene and showing zero tolerance to unsafe behaviours.

CCED is in a continual HSE improvement path, we believe employees participation and consultation are the corner stone of HSE Improvement initiatives. CCED's HSE Clubs, Intervention programs and Learning sessions are proven key HSE initiatives in enhancing CCED's HSE Culture.

At CCED, we actively engage with our contractors to ensure they understand our Vision, manage HSE in line with CCED expectations and ensure their employees embrace a safe working culture.



About Company

The Sultanate of Oman has been the core area for Swedish oil company Tethys Oil since 2006. As an active partner, Tethys Oil has helped secure the success of Blocks 3&4. In 2017, the Company's operations in Oman expanded when the exploration Block 49 was awarded to Tethys Oil as operator. Tethys Oil's aim is to explore and produce oil and gas in an environmentally, socially and economically, responsible way to achieve long-term sustainable development in the Omani oil and gas industry.

Concessions

Tethys Oil has, as operator, 100 per cent interest in Block 49. Tethys Oil is also a partner holding a 30 per cent interest in Blocks 3&4.

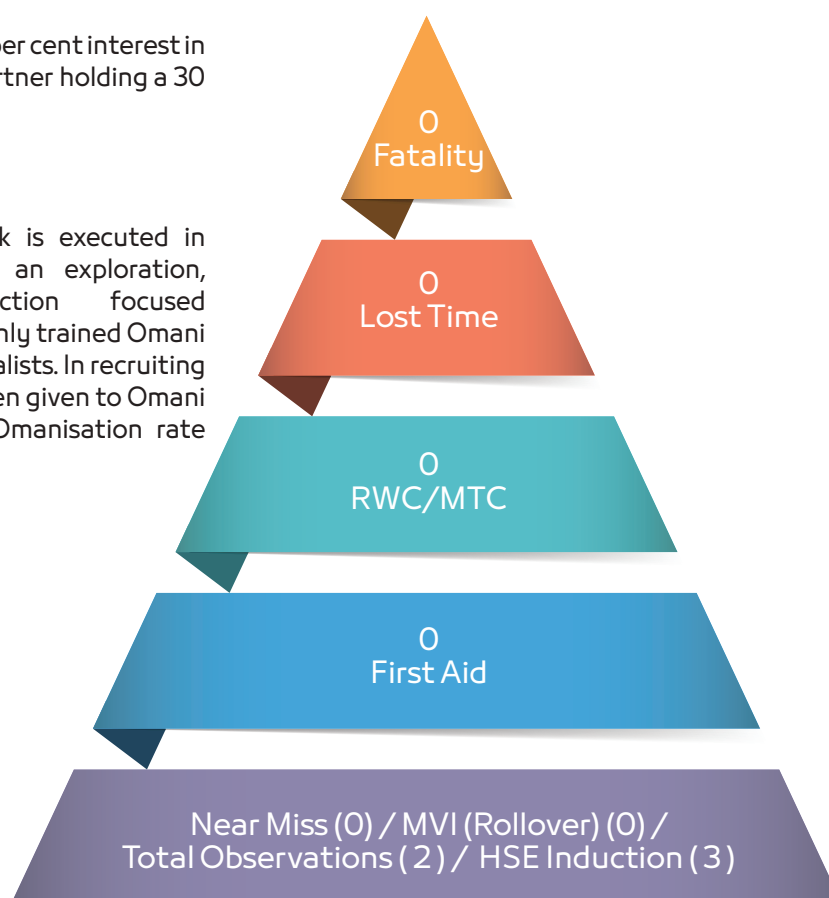
Organisation

All Tethys Oil's technical work is executed in the Sultanate of Oman by an exploration, development and production focused organisation with a team of highly trained Omani engineers and subsurface specialists. In recruiting staff, preference has always been given to Omani nationals, and currently the Omanisation rate amounts to 80%.

Health, Safety and Environment

The genuine care for Health, Safety and Environment is a core value for Tethys Oil, and shall be transparent through all plans and actions. It is Tethys Oil's objective to provide a healthy and safe working environment for employees, contract personnel and members of the general public who might be affected by its activities.

- HSE induction was provided to the local stakeholders and community before seismic acquisition in Block 49
- Safety induction provided to faculty and students at Maqshin school





Operational Summary Block 49

After geological studies and studies of legacy seismic data, including reprocessing 1,464 km of vintage 2D seismic data, a seismic campaign was conducted in late 2018 and concluded in early 2019. 253 km² of 3D and 299 km of 2D seismic data were acquired in the north-eastern part of the Block 49 license area. The purpose of the seismic campaign was to further define possible oil traps and to enhance the understanding of the deeper parts of the block in general.

Interpretation of the new 2D seismic data and most of the 3D seismic data was finalized in 2019 resulting in the maturation of a prospect in the 2D area. The Thameen Prospect is planned to be drilled in 2020. Preparations for exploration drilling are ongoing including tendering for drilling equipment and services.

Corporate Social Responsibility

Tethys Oil's activities strive to create shared prosperity between stakeholders. It seeks to respect and gain the respect of the people and governments of countries in which it

operates. Good relations with host countries are prerequisites to Tethys Oil's business. Wherever operations are conducted, the sovereignty of the state is respected and the rule of law is observed and promoted.

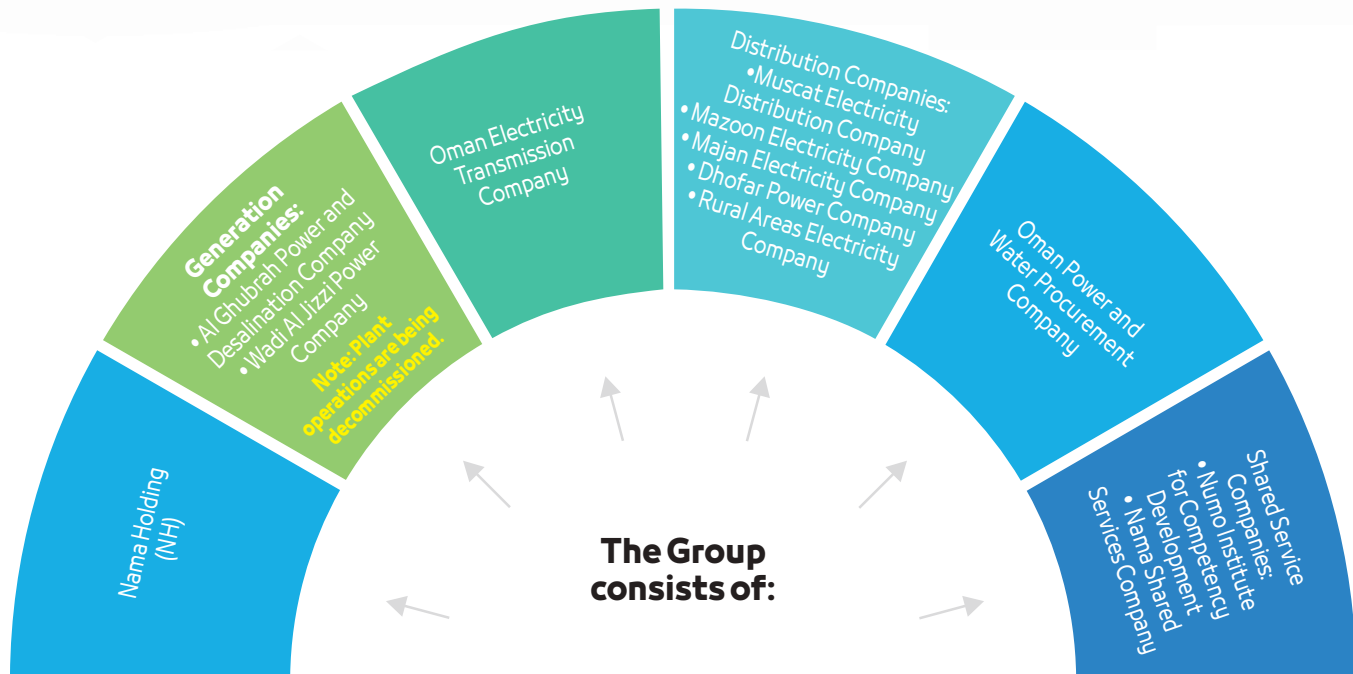
- Sponsoring two Omani nationals to obtain Master degree in Geology at Sultan Qaboos University
- Sponsoring two Omani nationals to obtain Diploma at Dhofar University
- Conducted Scientific and Technological Forum at Maqshin School with the collaboration of Innovation and the Scientific Olympiad at Ministry of Education
- Sponsoring reviving cultural traditions at Wilayat Maqshin
- Sponsored and conducted training to 49 students at University of Dhofar during the 4th Entrepreneurship Week

In addition, Tethys Oil along with joint venture partners, CC Energy Development S.A.L. and Mitsui E&P Middle East B.V. in Blocks 3&4, is pursuing several CSR initiatives.



About Nama Group

Nama Group (NG) was created as a result of the restructuring of the electricity sector and its related water services in 2004 and commenced commercial operations on 1 May, 2005. NG includes generation, procurement, transmission, distribution and supply of electricity and its related water services in the Sultanate.



About Nama Holding (NH)

NH is a joint stock company registered in the Sultanate of Oman. The company commenced commercial operations on 16 September, 2003 and holds the Government shares in the Group's subsidiary companies. The Ministry of Finance is the shareholder of NH. The Group acts as the sole provider of electricity distribution, supply, transmission and procurement.

The main roles of NH, along with holding the Government shares in the subsidiaries, are to:

1. Support and implement the Government's privatization policies for the electricity and related water sector.
2. Implement the policy of the Government in respect of the financing of companies wholly -owned by the Government in the electricity and related water sector and to safeguard and maintain the interest of the Government in these companies.

The electricity sector consists of three major organizations - The Ministry of Oil and Gas, The Authority for Electricity Regulation and NG in

addition to generation companies which are privately owned. The Ministry of Oil and Gas is responsible for electricity policy overview, while The Authority for Electricity Regulation is in charge of regulating the electricity sector.

Note: Royal Decree No. (40/2018) provided that all electricity-related powers and mandates formerly assigned to the Public Authority for Electricity and Water shall be transferred to the Ministry of Oil and Gas.

Mission

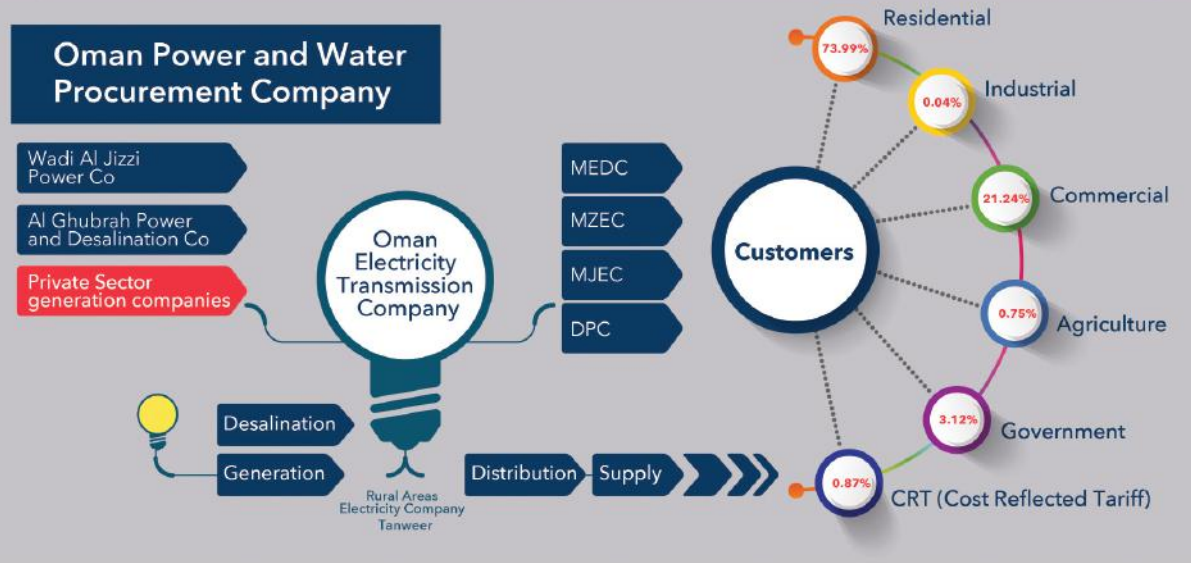
Building the future of sustainable electricity and water sectors in Oman through local and global partnerships.

Vision

Nama Holding is the partner of choice for electricity and water sectors.

Privatization of Electricity Sector

As mandated by the Government, NH announced the partial privatization of Oman Electricity Transmission Company (OETC). Accordingly, 11 Expressions of Interests were received from



16 international investors. After the evaluation process, NH announced the sale of 49% of its shares in OETC to State Grid International Development Ltd. (SGID) through the signing ceremony held in Muscat on 15 December, 2019. State Grid International Development Ltd. (SGID), incorporated in Hong Kong, is the wholly owned subsidiary of the State Grid Corporation of China (SGCC), one of the largest operators of electricity transmission networks in the world. The OETC

transaction is conditional only upon the approval of the Authority for Electricity Regulation, and (subject to satisfaction of this condition) completion is expected to occur in early 2020.

NH also announced the sale of 70% of its shares in Muscat Electricity Distribution Company as per the plan to privatize electricity distribution companies. It is planned to receive the bids and complete the privatization transaction in the year 2020.



Health, Safety and Environment (HSE)

Based on our commitment to provide safe and sustainable electricity services to our customers, employees and contractors, Nama Group complies with the highest local and international standards to achieve the best levels of health, safety and environmental performance. Most NG companies have succeeded in renewing the international certifications such as OHSAS18001, ISO14001 (Environmental) and ISO9001 (Quality) certifications. Group companies continuously update these international certificates as per the latest standards published by the relevant international organizations.

Human Resources Development

In 2013, Nama Group launched its human resource programme as a key pillar of its strategy, with the vision: "We strive to make Nama Group an ideal professional environment that applies the highest international standards, best practices and transparency in all human resources affairs". This vision can only be achieved by making human resources an effective partner in all operational processes and equipping employees with future competencies to keep abreast with the continuous technical developments in this field. NG invested RO 1,565,722 in employees' training and development in 2019 compared to RO 1,433,620 in 2018, an increase of 9%.

The Application of "Lean" in Nama Group

NG developed and implemented an integrated programme to apply LEAN methodology over a period of 36 months (3 years) which commenced in November, 2018 in cooperation with the "SSA Business Solutions".

During 2019, more than 334 employees were trained through an average of 574 training hours.

The participants were divided into several levels (185 trainees at the yellow belt level and 109 trainees at the green belt level). The Group is working on the development of the content of the third level (the black belt) to qualify and train a group of employees to this level. So far, 118 work processes have been identified and work is under way to simplify and improve them. About 78 of these procedures were completed in NG.

Customer Service

In-line with the rapid international developments in customer service and the increase in electricity demand, Nama Group's distribution companies follow a strategy that focuses on re-engineering of processes and empowering of the Group's human resources with an ultimate objective of achieving customer satisfaction.

The strategy includes programmes that aim to improve the customer service cycle which covers meter reading, billing, collection and call centre. Each distribution company develops its own plan based on its customer requirements and needs. Support is provided to the subsidiaries to enable them to enhance the communication and engagement channels with customer.

In 2019, Nama Group expanded its payment channels to include our contractors and banks' bill payment machines, smartphone apps and Nama E-portal. It resulted in a remarkable increase in the use of electronic channels by different customers. In addition, it helped to enhance customer satisfaction and saving meter reading costs and bills distribution. Based on the results of the periodic customer satisfaction surveys carried out at the Group level, customer satisfaction increased to 92% in 2019. Furthermore, the number of customers who opted for e-bill option increased to 57.3% while the meter reading coverage reached 93.2%. The percentage of bills that were adjusted based on customer complaints didn't exceed 0.14% out of 14,909,372 bills issued in 2019.

The distribution companies are focused on enhancing the effectiveness of meter reading through the use of state-of-the-art technologies by introducing new devices for meter reading in

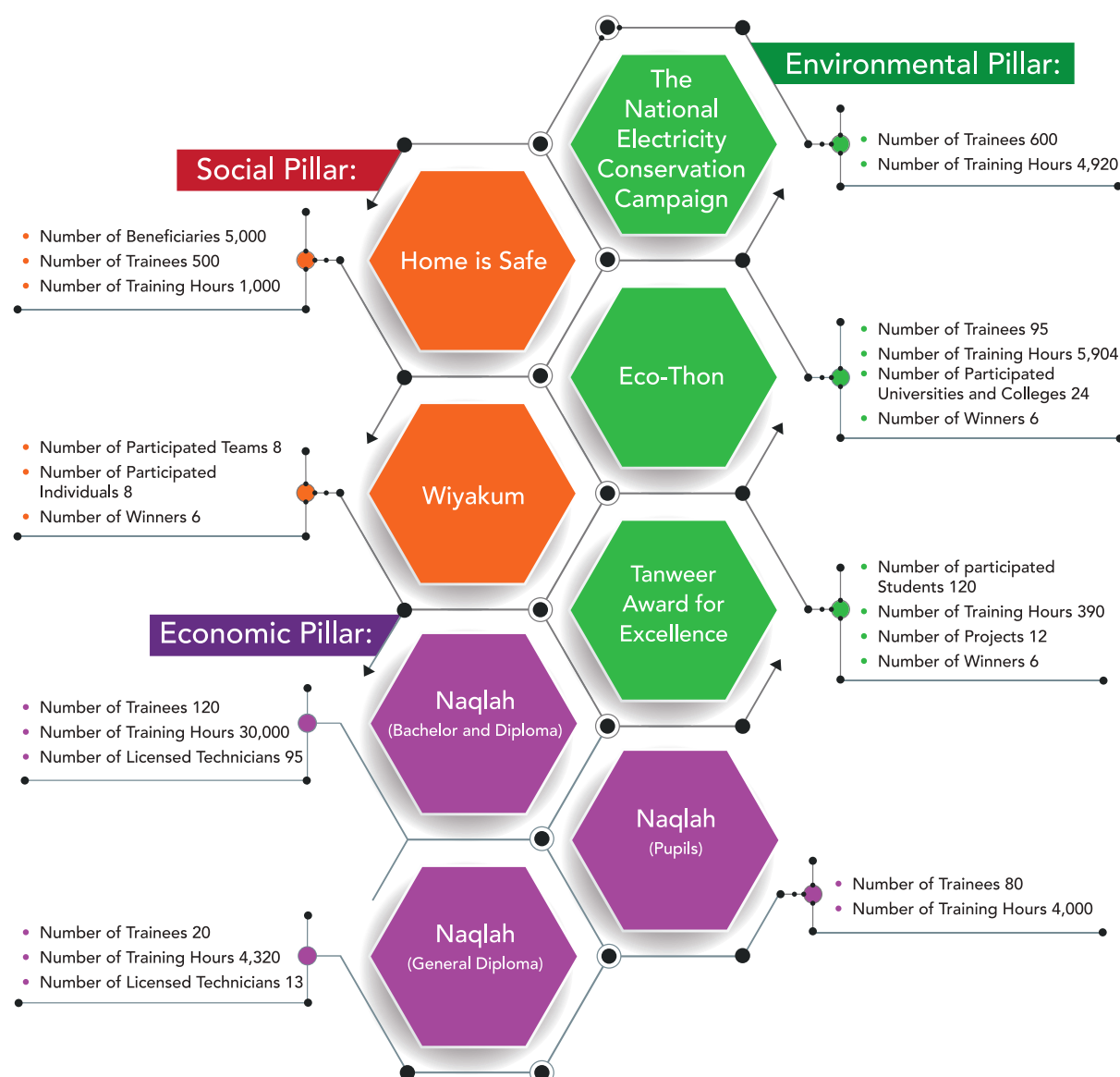
addition to the introduction of smart meters that enable remote meter reading. The percentage of traditional meters was 91.9%, smart meters 2.4% while the prepaid meters formed 5.6% of the total number of meters. The prepaid meters proved to be a good option for residential complexes as tenants prefer using this type of meters to have electricity service on temporary basis.

Sustainability Projects

In 2019, we made a progress in our sustainability policy. We allocated RO 500,000 for projects, programs, campaigns, donations and

sponsorships that reflect social, economic, and environmental pillars of NG's Sustainability Policy. These projects and programmes contributed to promote the awareness in the society about electricity hazards, health and safety aspects. Moreover, several awareness sessions and programmes have been conducted related to In Country Value (ICV) for capacity building and create business opportunities to increase the participation of the private sector. NG also conducted the National Electricity Conservation Campaign and supported the Omani youth to innovate solutions to conserve the environment.

Nama Group Sustainability Achievements in 2019



Total Number of Beneficiaries: 6,572
Total Number of Training Hours: 50,534

