

OPENING ADDRESS BY
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MINISTER OF OIL & GAS AFFAIRS
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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

*Your Excellencies,
Our Distinguished Guests,
Ladies and Gentlemen,
Good morning to all of you*

It gives me great pleasure to welcome you here today to the opening ceremony of the “Energy Evolution Middle East” Conference.

This conference aims to address the most critical debatable issues facing us in the global energy sector, including climate change, the need to diversify the energy mix, renewable energy sources, and the effective and efficient utilization of clean technologies in all energy sources, and reduction of their impact on the atmosphere and environment.

I am of course very delighted to deliver the keynote address to this extremely important and timely conference.

Energy evolution is the concern of governments worldwide and this morning I would like to leave you with the message that The National Oil and Gas Authority (NOGA), and Bahrain, has taken action on our energy evolution journey to protect the environment, and we see the next decade as a breakthrough for clean technologies and alternative energy.

Ladies and Gentlemen

The sustainability of modern societies and economies is dependent on the availability of energy and we are all aware that fossil fuel, the major energy source, will not last indefinitely.

While considering this situation, the international community has taken action to maintain the standard of living currently achieved worldwide.

On the one hand in terms of fossil fuels, new energy sources have been explored to diversify the energy mix. New technology has been applied to both the upstream and downstream sectors of the oil industry to sustain conventional energy sources and manufacture cleaner fuels.

On the other hand technological breakthroughs have been achieved to increase the use of renewable energy sources be it solar, wind, fuel cells, or even nuclear.

To make such a paradigm shift in sustainable energy, the right and proper political and economic atmosphere must be created for the progress of the new and renewable energy industry and related business. In Bahrain, this is embodied in our Economic Vision 2030.

In this respect, the commitment of the Gulf Cooperation Council region countries to diversify its energy base has already materialized through implementation of various initiatives, stretching from solar energy to nuclear energy.

One must also recognize that, at the same time, the GCC commitment towards ensuring supplies of oil to the international markets calls upon them to make huge investment in developing and increasing production capacities.

It is estimated that by the end of this year, the Gulf oil producing countries will have spent approximately 50 billion US dollars in the last decade in order to increase their current oil field production capacities or to develop new discoveries. These expansions have taken place mainly in Saudi Arabia, the United Arab Emirates, Qatar and the Kingdom of Bahrain.

We believe that the global manufacturing and transportation industry sectors can offer as much effort as the producing and consuming countries in:

- i) securing the sustainability of energy supply and
- ii) contributing to improving fuel quality.

Furthermore, these aspirations can be achieved by the support and cooperation, by all parties concerned, in R&D programmes.

I can testify here to the commitment of the NOGA toward protection of the environment and the manufacture of clean fuels

An environmental improvement programme has been part of the strategic planning of The Bahrain Petroleum Company, a NOGA group company, since the 1998, and this programme has been totally supported by NOGA and the political leadership of the country.

A key environmental project to phase out leaded gasoline was completed in the year 2000 at a cost of \$ 7 million. This marked the start of a new era in preserving the environment and ensuring cleaner air for future generations.

This project was quickly followed by the elimination of the lead treating process in 2001 and additional projects for the treatment of tank farm effluent, reduction in tank emissions, and a hazardous waste landfill.

These projects were part of an extensive modernization programme of Bapco's refinery with a total cost of 1.2 billion US dollars. The aim of the programme was to produce higher value added, environmental friendly, high quality, competitive oil products.

The programme culminated on the 5th December 2007 when His Royal Highness Prince Khalifa bin Salman Al Khalifa, The Prime Minister, inaugurated the Low Sulphur Diesel complex at the refinery.

The complex has enabled the Bahrain refinery to manufacture 100% of its diesel as ultra low sulphur product, with less than 10 parts per million sulphur and quality equivalent to the best in the world.

The cost of the Low Sulphur Diesel complex was \$725 million, and apart from being a technical and environmental success, financially the project provided a return in excess of 20%. Clearly a demonstration that protecting the environment can be economically justified.

The low sulphur diesel project was followed in 2009 with the commissioning of the Refinery Gas Desulphurisation Project at a cost of \$150 million which will be officially inaugurated at the end of this month. This project reduces the SO_x emissions from the refinery to meet the standard set in California, the most environmentally sensitive location in the world.

NOGA is proud of the environmental achievements within Bahrain, not just because of the commitment to clean air and water, but because everyone involved has turned a vision into a reality.

Ladies and Gentlemen,

The theme of this conference is Energy Evolution Middle East, so let me now move from our evolutionary environmental vision to a vision of cooperation and renewable energy.

The Kingdom of Bahrain is now in a position of exploring, surveying and evaluating the capabilities and potentialities in the area of renewable energy sources.

Our aim is to ultimately seek a balanced energy supply scenario in Bahrain.

On 26th January 2009 Bahrain became a signatory of the International Renewable Energy Agency (IRENA) which, at that time, had a total of 76 signatory states.

Needless to say, that the type of renewable energy application may depend on the location.

In the GCC region the most attractive renewable energy schemes are based on solar energy. Central power plants based on solar energy seem to be a legitimate line of thinking. Wind farms in certain regions may also be a way forward after making sure the average wind speeds are sufficient. Large wind turbines on buildings were unthinkable until the designers and investors in the Bahrain World Trade Center took a brave decision to pioneer it.

NOGA is currently testing a solar energy alternative in Bapco, and we have also opened discussions with Japanese firms on the possible applications and installation of solar electricity generating modules for our petroleum sector's facilities.

The region is still in the early stages of implementing renewable energy, however, this creates an excellent opportunity for the involvement of investors at this early stage.

Ladies and Gentlemen:

Before conclusion, I would like to congratulate and thank the organizers of the Conference: The CWC Group who took the initiative and chose Bahrain to organize this important conference.

I would like to thank the Bahrain Petroleum Company, “Bapco”, for their significant effort to make this gathering possible.

My thanks also go to all our distinguished speakers and participants who spared their time to come to Bahrain to share ideas, opinions, and experiences on the best practices and techniques which can lead to a greater diversification of international energy sources.

Thank you for your kind attention, and I wish your conference every success and hope that you enjoy your stay in Bahrain.