



21st World Petroleum Congress

Moscow, 15-19 June 2014

Responsibly Energising a Growing World



DEWHURST LECTURE AT THE 21st WPC

Speech of

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**President of The Administrative Control &
Transparency Authority**

at the

21st WPC - Dewhurst Lecture

Moscow, Russia

19th June, 2014



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Your Excellences

Distinguished guests

Ladies and gentlemen,

Good afternoon

I am pleased to be here with you in the magnificent city of Moscow. It is a great honour for me to be chosen to receive the Dewhurst award.

With delight and appreciation, I accept this prestigious award.

I would like to start by expressing my warm thanks to the organizers for giving me the opportunity to deliver the Dewhurst Lecture at the closing of the 21st World Petroleum Congress.

The excellent meetings and events during the past few days are attributed to the vision of Thomas Dewhurst that has led to convene the first World Petroleum Congress in 1933. Qatar proudly hosted the 20th WPC in 2011.

Most of you know Qatar as the world's premier supplier of LNG, the GTL capital of the world, or even as the host of the 2022 world football cup.

The story of first oil exploration goes back to 75 years ago, when oil was discovered in Dukhan field some 80 kilometers west of Doha, marking the beginning of a new era in Qatar's history. Since then, we came a long way from being a modest oil producer to the owner of a diversified portfolio of hydrocarbon products, the flagship of LNG and the supplier of other vital energy products.

In my lifetime, I have witnessed the ascent of my country in many aspects, particularly the development of the oil and gas sector that has few parallels. Much of that success is owed to the visionary and committed national leadership



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represented by HH Sheikh Tamim Bin Hamad Al Thani the Amir of the State of Qatar. HH continues support and guides has a direct impact in building and sustaining the strong and mutually beneficial relationships with international partners, and the robust execution of oil and gas complex projects.

Through the many years I have worked in the oil and gas industry, I have to say North gas field has led to the major turning point in our journey. Although the gas structure of the North field was discovered by Shell in 1971 while prospecting for oil, gas was not considered a valuable resource in an oil-based economy. Furthermore, lack of interest from international oil companies to be engage in capital-intensive LNG projects, and the escalation of the Iran-Iraq war delayed the monetization of North Field by almost 20 years.

We realized however that owning massive gas reserves was not enough to strike a deal with clients seeking secure and reliable supplies. It is not without risk that the government embarked upon the construction of appropriate export infrastructure facilities.

Japanese electric and gas companies were the main buyers of LNG at that time, and the first to express interest in Qatari LNG, offering long-term contracts for purchases.

Several International Oil Companies joined Qatar Petroleum to build Qatar gas, the first LNG venture, including ExxonMobil, Total, Marubini LNG International and Mitsui LNG. With access to risk capital, diversified technical expertise and worldwide marketing ties, the strenuous efforts to overcome the initial hurdles finally paid off, opening up the opportunity for Qatar to emerge as a reliable, competitive and long-term supplier of LNG.

In 1997, Qatar's first LNG shipment reached the shores of Japan.

In less than ten years, we managed to climb and be at the summit of the global LNG export market, establishing a reputation as a reliable and flexible partner with



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both co-investors and client markets, covering the entire supply chain from field development, LNG terminals and carriers, to receiving terminals in major markets around the world.

Our LNG export strategy was built on three pillars: development and ownership of a fully integrated LNG supply chain to capture value, leveraging technology and economies of scale to reduce cost, and building a reputation as a reliable and flexible supplier to penetrate into new markets.

Another similar success story that I wish to share with you in this occasion is the world's largest integrated Gas to Liquids conversion project. We established a strategic partnership with Shell to build the Pearl GTL plant as a second avenue to utilizing Qatar's abundant gas reserves. The plant is fully operational today and produces a number of high-quality synthetic fuels with lower emissions and enhanced efficiency.

We knitted a comprehensive international customer network, by engaging in strategic partnerships, we negotiated very tough, high risk but stable investment terms and made long-term strategic investments with short-term flexibility.

Today, we are proud of the critical enabling role that the Qatari oil and gas industry is playing in the prosperity and development of the world economy.

Ladies and Gentlemen,

The accomplishments of modern life have largely been attributed to the increasingly efficient and extensive harnessing of various forms of energy to support the different human development aspects ranging from transportation, information and communications, to lighting, heating, cooking, industrial and agriculture.

While sustainable development is often associated with the projections of global energy and its ability to support welfare and economic prosperity of billions of



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people, the future of energy will be shaped by decisive factors, including availability of conventional resources, expanding access to renewable energy, development and deployment of new technologies, establishment of national energy policies, environmental degradation, security of supply and demand in its wider sense, geopolitical tension in supply and transmitting regions as well as capital investment across the entire energy value chain.

Each one of these factors can be associated with one or more of the three core dimensions of energy sustainability, energy security, energy accessibility and environmental impact mitigation.

From an energy security aspect, all countries, whether net importers or exporters, need to ensure availability of different energy resources to the public in order to meet their current and future demand. However hydrocarbon based economies may have an additional concern when addressing energy security, where export revenues are used to meet social and economic development obligations.

Accessibility and affordability of modern sources of energy, as the second tier of energy sustainability, remains a challenge confronting many countries particularly developing ones where energy consumption patterns of poor people tend to add to their misery and aggravate their poverty. United Nations Development Program reported that some 1.5 billion people worldwide lack electricity, and 2.6 billion rely on traditional biomass for cooking and heating, this has severe impact on the environment and health conditions of the population.

Hence, accessibility and affordability of energy are the main determinants in the transition from traditional to modern energy use.

The third dimension of energy sustainability is environmental impact mitigation. Production, conversion, and consumption of energy yield undesirable by-products in the form of greenhouse gases emitted in the atmosphere and have serious impact on human health and the environment.



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In their Human Development Report, the UNDP indicated that countries ranked very high on the Human Development Index account for the largest share of world carbon dioxide emissions. Low, medium and high HDI countries account for more than three-fourths of the growth in carbon dioxide emissions since 1970.

The same report estimates that if everyone in the world had the same consumption level as people in the very high Human Development Index countries and utilizing current technologies, we would need more than three Earths to withstand the pressure on the environment.

The big message here is that current patterns of production and consumption of energy are unsustainable at the global level -yet with different magnitude varying from one country to another- but the overall state is worsening as demand for energy increases.

In their aspiration to provide secure, affordable, and environmentally sound energy, all countries, at different stages of development, are trying to balance the trade-off of this triad.

Very few countries however reached high score in all areas; most of the world is still struggling. For example, hydrocarbon resource-rich countries score high at the security dimension, but perform low when it comes to diversifying energy mix, or lowering carbon emissions. Other developing countries are struggling to provide affordable access to modern energy services for their growing population.

While some developed countries are among top performers, there are still differences in performance between them based on their internal conditions. Some countries are net importers and others are net exporters, some rely on nuclear while others have a well-diversified electricity generation mix.

Ladies and Gentlemen,

Demand for fossil fuels and other natural resources is likely to grow in absolute terms as more energy will be needed to satisfy expansion of global economic



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activity and population growth, despite the severe and lasting global financial crisis.

There are several determining factors that will shape the future of energy trends, including the changes in market dynamics driven by emerging economies. The rates of productivity and income growth in BRIC countries and other newly emerging economies are outpacing those of advanced economies; this in our view will result in a shift of economic power from the advanced economies to the emerging economies.

Oil, natural gas, and coal are likely to continue meeting most of the world's energy needs. Fossil fuels, which represent around 80% of the primary fuel mix, will remain the dominating sources of energy over the next 20 years. Amongst the fossil fuels, oil will continue to be the energy type with the largest share; however natural gas is the fastest growing and is expected to increase by 50% from current levels.

Energy policies are formulated at the heart of any sustainable energy strategy to encourage energy efficiency, accelerate the use of renewable sources of energy, promote technological innovation at every stage of the energy innovation chain, mobilize additional investments in sustainable energy, and impose emissions reduction mechanisms.

Resource availability is another fundamental factor that is shaping the future of energy. Eight out of the ten countries that own 80% of the world's oil reserves are OPEC members. These countries have a very vital role as producers and foremost energy providers to the world; consequently they have to place substantial amounts of capital investment throughout the oil industry value chain, including upstream field development, transmission infrastructure and downstream infrastructure.

This difficult job cannot be achieved without strong cooperation between resource owners, technology developers, investment institutes, and consuming countries. Failure to do so will have a profound effect on the capacity of producers to meet future energy demands.



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Advanced technologies are playing a significant role in shaping the future of sustainable energy production and consumption. Undoubtedly there is a pressing need to reduce the carbon footprint, which can be achieved by conducting substantial research and development programs aimed at launching advanced fossil energy technologies.

The energy community needs to ensure the availability of adequate resources to support energy innovation, including the appropriate financial, human and regulatory framework. Emerging innovations offer the potential to use conventional sources of energy, mainly fossil fuels, in ways that are cleaner, more efficient, safer, flexible, and affordable.

I would like to conclude my remarks by emphasizing on the need for global cooperation, commitment and willingness to invest in capital, technology, and, most importantly invest in people which will definitely shape the future of the energy industry.

Ladies and gentlemen, Thank you for your kind attention.