

Oman Natural Gas Industry



Oman Natural Gas Industry - Outlook

Contribution to Oman's Economy

- 9.43 Billion cubic meter gas produced in 2015.
- 50% % of the Oman's GDP.
- \$2.8billion - Total value of natural gas production
- 24.3 trillion cubic feet of proved natural gas

Global Position

- The 30th largest proved reserves of natural gas
- Oman is the largest Non-OPEC Oil and Gas producer in the Middle East
- 14th largest exporter of Natural Gas industry.

Industry Outlook

Oman's natural gas industry plays a major role in the country's economy. The Ministry of Oil and Gas (MOG) is the governmental body in the Sultanate of Oman responsible for developing and implementing the government policy for exploiting the oil and gas resources in Oman. It is widely recognized as a global leader in Enhanced Oil Recovery (EOR) technologies. It contributes to 50 % of GDP.

It is the largest Non-OPEC oil and gas producer in the Middle East. It's exports represent 2.25% of world exports. According the major importers for Crude Petroleum Oils are – China (13.8%), Hong Kong (11.4%), Malaysia (10.9%), Indonesia(8.2%)



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Trade Data

Exports

USD 346.80Billion (2015)

Imports

USD 296.88 Billion (2015)

Top Export Destinations

- China
- Hong Kong
- Malaysia
- Indonesia

Top Companies operating in Oman

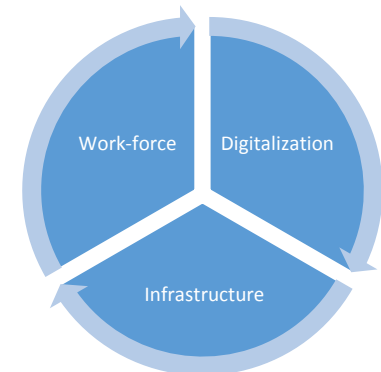
1. Oman Oil Company S.A.O.C. (OOC)
2. Oman Refinery Company LLC
3. Petroleum Development Oman (PDO)
4. Partex Oil and Gas Group
5. Daeel Petroleum Company LLC



Key Growth Drivers of the Industry

Oman has a highly-skilled, multilingual workforce that has expertise in oil and gas. The Digitalization in the oil and gas industry is a contributing factor to reduce production and operations costs. There are large number of infrastructure and developmental projects which consist of ports, airports, roads, industrial zones, specific economic zones. There is huge demand for Natural Gas in international market. It has 8 trade agreements with different countries and organisation.

It is also a part of Gulf Corporation Council (GCC) and gets the benefit that goods produced in GCC countries can be imported duty free into other member countries



Oman Natural Gas Industry - Incentives

Incentives for Natural Gas

Globally, Oman stands at 70 in the ranking of 189 economies on the ease of doing business. The Organization and Encouragement of Industry Law (Royal Decree No. 1 of 1979) governs the provision of incentives to foreign investors in Oman. It seeks to promote increased productivity and efficiency, as well as the development and consolidation of industrial installations. They provide incentives like –

- Interest-free or subsidized loans with longer terms for repayment
- Exemption from custom duties on import of raw materials, plant and equipment
- A lease for 50 years (renewable for another 50 years)
- 100 % foreign ownership
- 30-year tax holiday on profits and dividends
- It also provide the provision of industrial plots in industrial zones for nominal charges.
- The expedited arrangement of immigration visas and permits for foreign workers.
- Investors may also obtain finance from the Gulf Investment Corporation located in Kuwait. It provide loan funding to, new companies in various sectors.



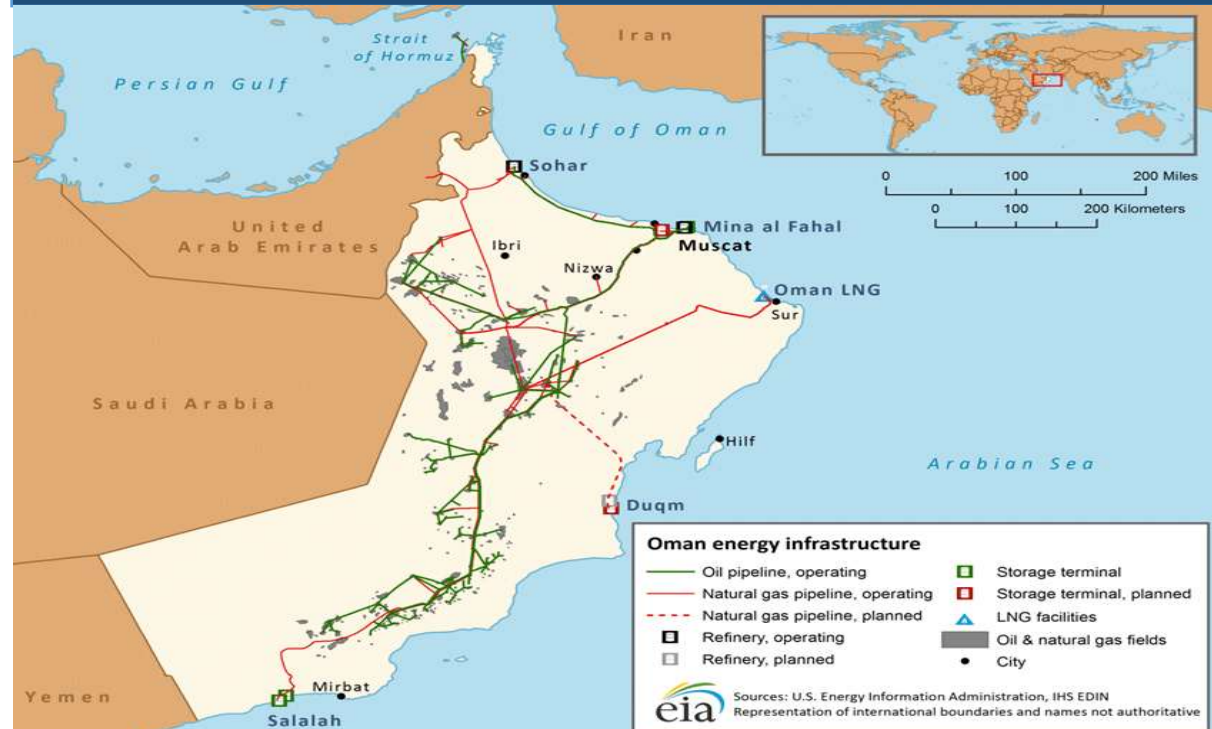
Oman Natural Gas Industry – Value Chain

Local Production Hubs

The natural gas market is very dynamic and it requires liquidity, flexibility and transparency for it to function effectively. It therefore needs multiple supply sources, multiple users and comprehensive infrastructure for transmission & distribution. Oman's natural gas supply chain is very dynamic, government have full control on the three major players of the market. The Companies like below have yearly production of –

- Petroleum Development Oman(PDO)- 50,000 barrels/day.
- Oman LNG LCC- 8.4million tones per annum(mtpa) (2012).

Oman Natural Gas Infrastructure .



Region Wise Product Systems

Muscat Oman Gas Company

The gas originates from Barik, Saih Nihayda and Saih Rawl and is supplied to plant through pipelines 360 kilometer long.

Qalahat Oman LNG LCC

Main operation is the exploration ,processing and production.
Step1-Treatment
Step2-Removal of Condensates
Step3-Liquefaction of Gas

Lekhwair PDO

Main operation is -Exploration and production, It delivers gas to the Government Gas System. It finds, develop and operates natural fields.

Oman Natural Gas Industry – Investments

Investments Announced in the Natural Gas Sector

Oman 's natural gas is a flourished sector and contributes to around 50% GDP still Oman government will continue to invest in drilling and exploration in oil and gas sector by launching new strategic projects to maximise its contribution to the economy during the next Five-Year Plan.

- According to Ministry of Oil and Gas, in 2013-2022 the gas sector will invest more than \$40 billion in exploration and production activities.

- In 2016, The Sultanate's Oil Ministry has announced \$3.2billion investment for developing the natural gas fields and capital expenditure in natural gas sector has increased by \$600million .

- In 2016, Petroleum Development Oman (PDO) announced plans to channel \$10billion into three major onshore projects over the next 5 to 10 years in a two-fold bid to expand operational capacity and output.

- In 2013, 53 projects worth \$64 billion in the hydrocarbon sector, in which 15 projects are presented to the private sector.

- Abu Dhabi's state-owned investment Company ,International Petroleum Investment Company (Ipic) and the Oman Oil Company (OOC) have set up a joint venture to build a \$6 billion refinery and petrochemicals complex in Duqm.

- The proposed project will be completed in five years. The refinery will process 230,000 barrels a day (bpd) in the first phase by 2017, which will be followed by the construction of petrochemicals facilities.

- BP Oman has let two long-term drilling contracts totalling \$730 million for the Khazzan gas project in the southern portion of Block 61. Construction work for Khazzan is under way and production is expected to launch in late 2017.



B3Globe Customized Industry Analysis

B3Globe provides a full spectrum of Business/Market Research services, we also provide custom report solutions to our clients tailored for their business landscape, to help them stay ahead of the competition and stay on top of emerging trends.

Tailored Research

Our team focuses on the product-market mix to suit the geography and demography of the market. We dive in deep to extrapolate primary information from the stake holders throughout the value chain. Our ability to map the competitive landscape helps us extract data with surgical precision.

Custom Market Research

Our market research is lured for its accurate industry data that spans more than 200 industries and global markets. Our collaborations with renowned publishers and most respected data source providers help us acquire the most accurate information on demand.

Collaborative Process

We find value in collaborating with our clients in sharing our findings throughout the process. This approach allows our clients to participate and set the direction of the research that is fully aligned with their intentions. Our collaborative strategy makes our research highly adaptable, customized, on-demand and extremely relevant.

Scope of Our Customized Industry Analysis

- Market Definition.
- Industry Classification
- Current Industry Outlook
 - Industry Size – Global/ National/Regional,
 - Contribution to GDP National/Global.
- Industry growth past 3-5 years
- Growth Forecast for 3-5 years.
- Market Drivers
 - Key drivers
 - Restrains
 - Opportunities
- Key Drivers of historical demand
- Applicability of Key drivers in Demand Forecasting.
- Key drivers of future demand and reasonability of the assumptions
- Industry Structure, Industry Life cycle stage.
- Current Business models In the Industry.
- Business Models likely to do well in future.
- National / Global Factors that affect the Industry (PESTEL-analysis).
- Overall capacity in the market.
 - Production
 - Procurement
- Value Chain Analysis
- Demand supply Gap.
- Import & Export scenarios
- Local Market Operators
 - Product Segment wise Producers & Importers
- Overseas markets
 - Top Product segments for Export
 - Top Export markets for respective product segments.
- Number of companies participating in the industry National/Global.
- Market Segmentation
 - Product Wise.
 - Distribution Channel wise.
 - Consumer Segmentation.
 - Competitor Segmentation.
- Porter's Five Forces Analysis
- Entry Barriers,
- Government policies, incentives & Subsidies for the Industry – National/State Level/Country Level
- Applicable Taxation & legal laws
- Industry Value chain analysis.
- Supply chain, Logistics framework analysis
- Funding avenues for Industry Growth
- M&A activities in the industry – Global/National.

About B3Globe

Business Beyond Boundaries (B3) Globe is the **Market Entry division** of **KPM ASSET**. We are a global advisory firm, providing Strategic Consulting, Transaction Execution and other value added Business Solutions to Global mid-market Corporate and Institutions.

B3 Globe is formed with an objective to provide seamless Market Access to Clients who aspire to transcend Geographic Boundaries in search of new Frontiers for growth opportunities across the globe. Over the years, we have built an excellent track record of delivering innovative and result-oriented Solutions across various Geographic and Industries Segments.

Our Services

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Market Entry Support

Hand Holding Support Services

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