

Contents

- 1. Country Brief**
- 2. Oil & Gas Industry Brief**

1. Country Brief: About UAE

The United Arab Emirates is a constitutional federation of seven emirates; Abu Dhabi, Dubai, Sharjah, Ajman, Umm al-Qaiwain, Ras al-Khaimah and Fujairah. The federation was formally established on 2 December 1971.

The United Arab Emirates (UAE) occupies an area of 83,600 sq km along the south-eastern tip of the Arabian Peninsula. Qatar lies to the west, Saudi Arabia to the south and west, and Oman to the north and east. The capital and the largest city of the federation, Abu Dhabi, is located in the emirate of the same name.

Four-fifths of the UAE is desert, yet it is a country of contrasting landscapes, from awe-inspiring dunes to rich oases, precipitous rocky mountains to fertile plains.

The United Arab Emirates, one of the world's fastest growing tourist destinations, has all the right ingredients for an unforgettable holiday, sun, sand, sea, sports, unbeatable shopping, top-class hotels and restaurants, an intriguing traditional culture, and a safe and welcoming environment.

Map



Fig 1. Map of United Arab Emirates

Society & Culture

| | |
|--------------------|---|
| Head of State: | His Highness Sheikh Khalifa bin Zayed Al Nahyan |
| Capital City: | Abu Dhabi |
| Religion: | Islam, Practice of all religious beliefs is allowed |
| Official Language: | Arabic |
| Weekend: | Friday and Saturday for government institutions. |

The Seven Emirates

Abu Dhabi

Abu Dhabi is the largest of all seven emirates with an area of 67,340 square kilometers, equivalent to 86.7 per cent of the country's total area, excluding the islands. It has a coastline extending for more than 400 kilometers and is divided for administrative purposes into three major regions. The first region encompasses the city of Abu Dhabi which is both the capital of the emirate and the federal capital.

Dubai

Dubai is the second largest Emirate in the UAE, a leading commercial centre and the Centre for hosting trade fairs and conferences in the Middle East. Dubai is the economic capital of the United Arab Emirates, has evolved considerably over the past years. Dubai lies between Abu Dhabi and Sharjah. It constitutes an important Emirate of money and business in the world, and point of tourist destinations for millions of tourists annually.

Sharjah

Sharjah is a city of learning and the arts, as confirmed by its 1998 UNESCO designation as the Cultural Capital of the Arab World. The city of Sharjah is home for more than 20 museums with splendid collections of artifacts and art as well as exhibits on science and natural history. Sharjah is the only emirate to have land on both the Arabian Sea and the Indian Ocean.

Ajman

The Emirate of Ajman is situated on the coast of the Arabian Gulf, extending over a distance of 16 km, between the emirates of Umm al-Qaiwain and Sharjah. The area of the emirate is 259 square kilometers, equivalent to 0.3% of the country's total area, excluding the islands.

Umm al-Qaiwain

It is the second smallest emirate in terms of space. Umm al-Qaiwain is located between three emirates, which are Sharjah, Ajman and Ras Al Khaimah. Ajman and Sharjah lies at the south of the Emirate, and Ras Al Khaimah north. Also, Umm Al Qaiwain is smaller in terms of population. The Citizens depend on fishing and cultivating palm trees as source of income. But now Umm al-Qaiwain is developing and highlight features of the architectural renaissance.

Ras al-Khaimah

Ras Al Khaimah is the historical capital of the United Arab Emirates. Its area is 1700 square kilometres. Ras Al Khaimah is characterized by its green tree, which extends to cover a vast area of it. The city of Ras Al Khaimah which lies on the sea, has a long history stems from the flourished port and the special Pearl. The emirate is witnessing significant developments.

Fujairah

Fujairah holds a unique position in the UAE. It is the only emirate that lies on the eastern side of the UAE, along the Gulf of Oman, while all the six other emirates are along the Arabian Gulf. The area of the it is 1,300 square kilometers, which vary between mountains and plains and desert. Fujairah's main occupation in the past were fishing and agriculture.

2. Oil & Gas Industry Brief

The UAE holds the fifth largest proven oil reserves in the Middle East and the fifth largest proven natural gas reserves in the world.

Abu Dhabi is by far the biggest oil producer in the UAE, controlling more than 85 percent of the UAE's total oil output capacity and over 90 percent of its crude reserves. The UAE is a high-income, stable federation of seven emirates with the second largest Arab economy in the Middle East.

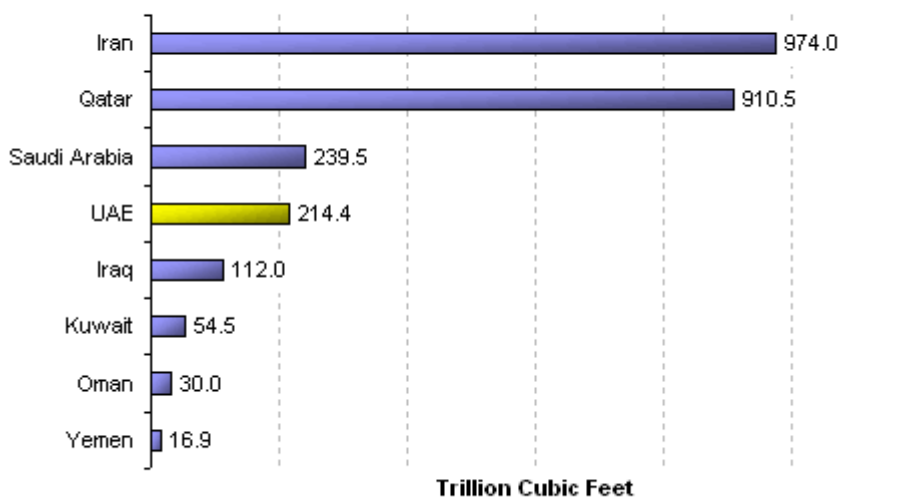
Abu Dhabi is the major hydrocarbon and industrial power while Dubai is the trading, financial, and tourist center of the emirates. Abu Dhabi and Dubai account for 80 percent of the UAE's income. Hydrocarbon revenues account for around one-third of the UAE's GDP, though the non-oil finance and service sectors in Dubai are making the city a favored base for multinational corporations in the Gulf.

Proven recoverable oil reserves are currently put at 98.2 billion barrels or 9.5 percent of the global crude oil proven reserves. As for natural gas, According to *OGJ*, the UAE's proven natural gas reserves were 214 trillion cubic feet (Tcf) as of January 1, 2007. UAE holds the fourth largest proven natural gas reserves in the Middle East after Iran, Qatar, and Saudi Arabia. The largest reserves of 198.5 Tcf are located in Abu Dhabi. Sharjah, Dubai, and Ras al-Khaimah contain smaller reserves of 10.7 Tcf, 4.0 Tcf, and 1.2 Tcf, respectively. In Abu Dhabi, the non-associated Khuff natural gas reservoirs beneath the Umm Shaif and Abu al-Bukhush oil fields rank among the world's largest.

Rising energy prices have put a new emphasis on the UAE's large natural gas reserves even though high extraction costs and sulfur content pose difficulties for the industry.

At the current rate of utilization, and excluding any new discoveries, these reserves will last for over 150 years. The UAE's oil production is limited by quotas agreed within the framework of OPEC to 2 million barrels per day (mbd). Production capacity, however, will rise to around 4 mbd in the year 2010

**Middle East Natural Gas Reserves by Country,
January 1, 2007**



Source: Oil & Gas Journal, Jan. 1, 2007

Petrochemicals

As part of an ambitious plan to expand its energy sector the UAE is planning to make a major investment in petrochemicals in the next few years. The Abu Dhabi Government plans to establish four petrochemical plants with a total investment of Dh 10.6 billion: the Dh 3.67 billion Borouge joint venture, the Dh 1.83 billion Ruwais EDC plant, the Dh 1.46 billion Ruwais fertilizer project and a Dh 3.67 aromatics venture.

Oil Fields

Principal offshore oil fields are Umm Shaif, Lower Zakum, Upper Zakum, Al Bunduq and Abu al-Bukhoosh. The main onshore fields are Asab, Bab, Bu Hasa, Sahil and Shah. Almost 92 per cent of the country's gas reserves are also located in Abu Dhabi and the Khuff reservoir beneath the oil fields of Umm Shaif and Abu al-Bukhoosh ranks among the largest single gas reservoirs in the world.

Major Refineries

Ruwais (350,000 bbl/d), Umm al-Nar (150,000 bbl/d) and Jebal Ali - Dubai (120,000).

Sector Organization

The largest state owned company is the Abu Dhabi National Oil Company (ADNOC), which operates 17 subsidiary companies in the oil and natural gas sectors. ADNOC maintains the right to take up to 60 percent stake in new major oil projects. Hydrocarbon production is handled on a production sharing basis between state-owned companies and foreign investors. The majority of Abu Dhabi's oil production is under the Abu Dhabi Company for Onshore Operations (ADCO), as well as the Abu Dhabi Marine Operating Company (ADMA-OPCO) and the Zakum Development Company (ZADCO.)

The Supreme Petroleum Council sets energy policy, and oil is the main focus of the UAE's hydrocarbon policy under Oil Minister Mohammed al-Hamli, who is also the 2007 OPEC President. Foreign investors have a relatively limited role outside of exploration. Foreign contracts tend to fall under an engineering, procurement, and construction (EPC) basis.

Source: Abu Dhabi Chamber of Commerce and Industry, Emirates e-government.ae, EIA Country Brief (as of 2007)