

Abdel Aziz: Our goal is to reduce the cost recovery of the foreign partner

“Tanmia has been established not just for developing the Egyptian fields and reduce cost recovery, but it is also developing the humanitarian force pushing the industry forward by protecting and maintaining Egyptian experts and professionals working in the country,” that is how Eng. Mostafa Abdel Aziz, President of Tanmia Company, puts in plain words the role of the company, describing it as a sacred national goal

By Tamer Abdel Aziz

Eng. Mostafa Abdel Aziz, President of Tanmia Company

With the aim of breaking the field development sector known for decades to be monopolized by foreign companies, the Tanmia Company was established in June 2008 to become the first national company to carry out developmental projects in the country. Tanmia has been technically and financially supported by the Ministry of Petroleum as well as other various holding companies, such as the Egyptian Natural Gas Holding Company, the Egyptian Petrochemical Holding Company and Ganoub El-Wadi Holding Company in addition to ENPPI and Petrojet.

The establishment of Tanmia serves the ambitious strategy of the Ministry of Petroleum for supporting national industries as an attempt to lure more positive revenues and benefits to the country's economy.

What are the company's major achievements since its establishment?

We can list at the beginning the Ukrainian Naftogaz' East Allam Al-Shawish field, in the Western Desert, which has been put on production on April 18, this year. We made an early installation of production facilities in the location of HG34-3 well, with a production capacity of up to 5000 barrels per day and currently operated by experienced technicians. We have succeeded to maintain a stable daily production rate of 1000 barrels thanks to our experienced team in addition to the tests of "Oil Test" for exploratory wells and "Bottom Hole for Service",

which are held on regular basis.

Another significant attainment of our company is providing a technical stabilization for other companies. In other words, we solved the shortage of technical expertise through developing the skills and capabilities of Egyptian personnel in accordance with the international standards. We follow the strategy of Eng. Sameh Fahmy, the Minister of Petroleum who is attributing a special attention to train our young calibers to be as professional as international experts and create a catchy working environment and various incentives to bring the brain drain problem to an end.

In the context of Tanmia's main objectives, we have succeeded in luring a number of distinguished expertise and technicians to work locally in major companies, such as Edison, Sea Dragon. Arabian Oil Company...etc.

“Our objective is to decrease the cost recovery of the foreign partner by putting the discovery on production line as early as possible”

How did you accomplish all these attainments in such a short period of time?

All our progress is due to the continuous support of Eng. Sameh Fahmy who is eager to develop and revolutionize the local industry. We have been granted the opportunity to be part of this national plan and

have worked hard from the beginning to build on our credibility among the petroleum sector.

What is your strategy concerning human development?

Actually, we are coordinating with top officials in the sector, distinguished by their long-years of experience, whether technically or scientifically to work closely with young graduates and help them develop their skills and strengthen their knowledge to be ready to join the work force needed in the petroleum industry.

Did you cooperate with Egyptian experts from other companies at the beginning?

We do appoint some Egyptian experts in each project we start, but for a limited period of time, to help the company professionally implements the operations and train more young personnel and develop their skills.

Getting assistance from professionals serves one of the company's targets, which is limiting the number of experts emigrating from the country seeking better job opportunities and incentives. We are providing appropriate work packages and better wages for them in order to keep these knowledgeable calibers in the country, which will by their turn create new generations of skilled young Egyptian personnel who would develop the industry.

Does Tanmia have specific enrollment plan for the graduates of Petronas Scholarship in the company?

We are ready to receive the graduates of Petronas Scholarship and enroll them in suitable positions that match their field

of studies, especially petroleum engineering students. In fact, this is one of the company's core values; hold the scientific skills of our youth in the country.

What is the work criterion of Tanmia?

The basic objective of founding this company is the attempt to reduce the "Cost Recovery" expenses, which are considered as heavy financial burden on the country's economy. This objective can be cat-

“We carry the burden of compensating for the lack of technical experts in the companies”

egorized as a national target and as mentioned previously, we received the support and assistance of experienced officials to formulate our company's core values and targets to better help the industry. Also, they set flexible work criteria characterized by the ability to easily adopt the on-going changes taking place, whether locally or internationally, such as:

- Speeding up the development operations of new fields by initiating large working groups in cooperation with other companies, such as ENPPI, Petrojet and Petroment that are characterized by their enormous work capabilities
- Attracting the knowledgeable and experienced personnel to work in the country and avoiding their migration to other countries
- Sealing strategic coalitions with major service corporations in order to exchange expertise and be up-to-date with latest technologies, which

would therefore strengthen our abilities to compete in and outside the country

- Re-managing the production facilities owned by the Egyptian General Petroleum Corporation (EGPC) to maximize their effectiveness and create a work harmony between service companies in order to increase the production rates. Such strategy leads to quick revenues to the Egyptian economy, as we do not need to waste time

establishing a joint venture to start the production phase. Moreover, the technical and geological studies are carried out by well-trained Egyptian calibers

who would save the country more expenses

Some argue that Tanmia plays the role of a behind-the-scenes contractor in its current projects. Comment

Firstly, such argument is completely fake! All our current projects are the result of contracts signed with E&P companies.

Does Tanmia receive the projects' agreements through tenders or by direct orders from top officials?

I confirm that all the projects we won were received through tenders.

Being a state-owned company would affect and decrease the competition level between service companies. Comment

Such speculations are completely wrong. On the contrary, we have always been treated like any other company in any bid rounds. We always compete to win more

projects to be added to our list of achievements. This proof that we are working hard to get ourselves a distinguished place in the ongoing competition between companies in

and they are also an open channel to be updated with the changes occurring everywhere.

What is the company's 2010-2011 plan?

We have an ambitious plan that we ought to implement over the year. In addition to executing our current projects, we are

aiming at strengthening our credibility and position in the Egyptian market by sealing more new agreements in the different fields of drilling and production. Besides, the company works hard to reach highest investment revenues in order to increase the profits of our shareholders. Tanmia is also eyeing the possible expansion of our services abroad.

Currently, we own two land rigs and coordinating with the EGPC and the holding companies for developing the fields in which the

foreign investor could not keep their work commitment and complete their operations through the Integrated Services agreements.

What is the volume of the company's investments?

Our total investments count for approximately \$50 million.

Would Tanmia have any role in the Eni-Ministry of Petroleum contract to develop Al-Zubair field in Iraq?

at the moment, I cannot tell what company will be chosen to carry out the work commitment of this agreement, yet all the Egyptian companies are cooperating together and we are the Ministry's working force inside and outside the country. We do have all the needed expertise and capabilities appropriate for this type of projects and we are skilled enough to implement this project if chosen.

What are Tanmia's utilized technologies?

We have initiated various technological alliances with most of multi-national companies operating in Egypt to get their assistance in our current projects.

However, this is just a preliminary phase for us as we would be forming our own technological fleet to depend on.

What are your upcoming most vital projects?

As a matter of fact, we have several major projects just around the



Egypt Oil and gas while interviewing Eng. Abdel Aziz

corner: development of GUPCO's North Shadwan field in the Esatern Desert, development of Khalda's West Kalabsha field, installation and manufacture project of offshore production platform of Abu Qir Petroleum Company and preparation of a special development plans for the fields of the Arabian Oil Company.

The list of Tanmia's major projects is not limited to the previously mentioned ones. There is a number of projects to be held in association with the EGPC and Egas for developing the fields held by foreign partners who fail

"... Ready to expand abroad"

to maintain their work commitment in the areas of the Gulf of Suez and Western Desert. This is one of the challenges we believe we can succeed in.

Besides, we will implement another development project for the EGPC Gazorina Field that aims at maximizing the fields' productivity through the utilization of early production units.

"Fighting the phenomenon of brain drain tops our list of priorities"

the Egyptian market.

In fact, we do encourage competition as it reflects how healthy is our industry and how capable we are to take off challenges. Moreover, positive competition brings many benefits to the industry and serves the petroleum industry's goals of cost recovery and decreasing the production cost of one barrel.

Also, competition is always in the sake of the petroleum industry; the more service companies in a country, the more amelioration of services provided, lower pricing, larger number of explorations and more E&P investments.

It is worth mentioning that luring foreign investments to the industry is one of the basic plans of the Egyptian Ministry of Petroleum as such investments would bring along the latest techniques and technologies utilized in the exploration and production operations

"The service market needs more companies to join in... we have strategic alliances with major service companies"

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