

Journal

ISSUED BY YEMEN LNG COMPANY
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**JACQUES
AZIBERT:**
**'CREATING A
WORLD-CLASS
MODEL FOR
BUSINESSES IN
YEMEN'**

**WINNER OF 2014
BALQIS AWARD
ANNOUNCED**

**400TH
CARGO SHIPPED
OFF BALHAF**



**YEMEN LNG PAVILION AT
GASTECH, KOREA**

**WELCOME TO THE LNG WORLD!
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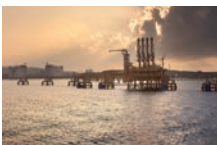
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How much do you know about Yemen LNG?



COVER PHOTO





‘CREATING A WORLD-CLASS MODEL FOR BUSINESSES IN YEMEN’

General Manager of Yemen LNG, Mr. Jacques Azibert, explains how Yemen LNG is a world class model for businesses in Yemen, a source of development for neighboring communities, and a rewarding place for its employees. Read on below to find out more.

I am delighted to introduce to you the 2nd issue of Yemen LNG newsletter; Journal, where we aim to maintain open and transparent communication with all our audience. We have put together here a rich content highlighting our latest interventions and activities at national, international as well as community levels.

THE COMMERCIAL PICTURE ...

First and foremost, let me put you in the picture of where we are in terms of commercial negotiations with relation to the LNG price review.

The overall objective of these negotiations is to accommodate the current global changes in the LNG market. As a result, negotiations with Kogas last year were very successful in bringing their gas price to international market levels, a result which was also announced by the Yemeni government.

Later in April this year, prices have been significantly improved with Total Gas & Power for the year 2014, and negotiations are ongoing for the following years, namely 2015 to 2019.

Negotiations with GDFS are also ongoing and the results will be announced once they become final. Progress made to date is a product of the hard work and collaboration between the Ministerial Committee, the Ministry of Oil & Minerals, the negotiation teams and Yemen LNG.

2013, AN EXCEPTIONAL YEAR ...

Last year was a year of robustness and business accomplishment, making the year 2013 one of the most successful since the start of Yemen LNG at all levels,

including environmental, safety, and corporate social responsibility records, which also account for our international portfolio.

This is very critical since the global LNG market will soon see new suppliers of LNG, from America, Africa and Australia, and so, we have to compete to secure our position through an intact record of reputation.

DEVELOPMENT AS WELL AS INVOLVEMENT OF NEIGHBORING COMMUNITIES ...

Since 2008 to date, Yemen LNG invested over YR 5.5 billion in sustainable development projects in target neighboring communities particularly in Shabwa and Marib, where we operate. Projects range from health, education, water, electricity to agriculture, womens' development, bee-keeping and fishery development.

To do this, we work closely on a daily basis with target beneficiaries and partners including the local authorities, civil society organizations and international development agencies to make sure we understand the local needs and ensure proper implementation of our interventions.

The achievement is that we are able to operate today the largest sustainable

development program ever by an energy company in Yemen.

A REWARDING PLACE TO WORK ...

It's important to mention here our greatest asset; our employees. Today, Yemeni nationals represent over 85% of the overall workforce of the Company.

Over the past year, we worked very closely with staff representatives to maintain Yemen LNG's status as one of the best employers in Yemen.

We have therefore improved practices, policies, and benefits, and introduced training opportunities in Yemen and abroad in order to create work conditions where employees, male or female, feel valued and therefore increase the Company's ability to draw and retain skill and talent.

THE GLOBAL IMAGE ...

These examples bear witness to a robust manifestation of how Yemen LNG has developed into a world class model for businesses in Yemen, providing world-class experiences at all levels.

JACQUES AZIBERT
GENERAL MANAGER



‘INSPIRING CHANGE’;

YEMEN LNG’S THEME FOR THIS YEAR’S WOMEN’S DAY CELEBRATIONS

Every year in March, Yemen LNG observes, along with its female members of staff who make up around 30% of its workforce in Sana’a headquarters; the International Women’s Day to recognize the contribution of female employees to the effective operation of Yemen’s largest industrial enterprise.

This year’s function was marked under the theme ‘Inspiring Change’, where female members of staff shared personal inspiring and motivational experiences.

The celebration took place in the

presence of civil society organizations, media and lady government officials including the Minister of State for Cabinet Affairs, Dr. Jawhra Hamoud Thabet. It was also attended by Dr. Ahmed Bin Mubarak, Director of the President’s Office.



ABOVE FATIMA, JAMILA & MARIAM OF YEMEN LNG SPOKE ABOUT THEIR OWN EXPERIENCES

SAFAA RAWIAH ANNOUNCED WINNER OF YEMEN LNG BALQIS AWARD 2014



During this year's event, the General Manager of the Youth Leadership Development Foundation (YLDF), Mrs. Safaa Rawiah, was announced winner of Yemen LNG Balqis Award 2014; \$20,000 in value – in recognition

of her remarkable contributions to the development of Yemeni youth and women in particular.

The Balqis Award, is a financial as well as a moral award, created by Yemen

LNG in 2012 to honor distinguished women members of the society who make exceptional contributions to the development of Yemeni women within a challenging context.



BALQIS AWARD

WINNERS OF BALQIS AWARDS 2012-2014



**1ST BALQIS AWARD, 2012
WENT TO
LATE FATIMA AL-AQIL,
AL-AMAN ASSOCIATION FOR
BLIND WOMEN CARE**



**2ND BALQIS AWARD, 2013
WENT TO
LATE JAMALA AL-BAIDANI,
CHALLENGE ASSOCIATION
OF PHYSICALLY DISABLED
WOMEN**



**3RD BALQIS AWARD, 2014
WENT TO
MRS. SAFAA RAWIAH,
GENERAL MANAGER OF
THE YOUTH LEADERSHIP
DEVELOPMENT FOUNDATION
(YLDF)**

COMPANY NEWS

YEMEN LNG PAVILION AT THE GASTECH CONFERENCE AND EXHIBITION IN SEOUL, SOUTH KOREA, FROM 24 TO 27 MARCH

The Gastech Conference and Exhibition is one of the world's leading gas and LNG conferences and exhibitions uniting over 10,000 industry experts and conference delegates.

Yemen LNG pavilion at the Exhibition was opened by the Vice Minister of Oil and Minerals H.E. Ahmed Basuraih and the General Manager of Yemen LNG Mr. Jacques Azibert.

The pavilion was inspired by the iconic architecture of the Old Sana'a City, which attracted a large number of conference visitors including high ranking officials. The Conference was an opportunity for Yemen LNG to lay emphasis on the significant role it plays on the World's map of LNG producers.



YEMEN LNG PREVIOUS PAVILIONS AT GLOBAL LNG EVENTS:



LNG 17 CONFERENCE & EXHIBITION 2013

Houston, Texas – USA



WORLD GAS CONFERENCE 2012

Kuala Lumpur, Malaysia



GASTECH CONFERENCE & EXHIBITION 2011

Amsterdam, Netherlands

YEMEN LNG CO-SPONSORS AND PRESENTS AT AN SPE GAS TECHNOLOGY WORKSHOP IN DOHA

Yemen LNG sponsored one of Society of Petroleum Engineers (SPE)'s renowned workshops on gas technology held in Doha early June. Yemen LNG also presented a paper at the workshop on implementing an ISO-certified Environmental Management System at an LNG plant.

The presentation, made by Yemen LNG's Senior Social Consultant, Jeanette Rascher, was received very well by the audience and triggered rich discussions around environment management systems.

The Society of Petroleum Engineers (SPE) organizes high profile conferences and workshops in the region and internationally and sponsoring one of their events was a good opportunity to raise Yemen LNG's profile in the region.



LOADING CARGO NO. 400 FROM BALHAF

Last March, Yemen LNG loaded its cargo no. 400 since the start of exports in November 2009.



Cargo no. 1:

7 November 2009,
destined for South
Korea

Cargo no. 100:

20th March 2011
destined for UK.

Cargo no. 200:

1st March 2012,
destined for South
Korea

Cargo no. 300:

4th May 2013,
destined for South
Korea

Cargo no. 400:

21st March 2014,
destined for India

COMPANY NEWS

YEMEN LNG SIGNS WITH SHABWA GOVERNOR FOUR DEVELOPMENT AGREEMENTS WORTH YR 568 MILLION

Earlier this year, Yemen LNG General Manager, Jacques Azibert, and the Governor of Shabwah, Ahmed BaHajj, signed four development agreements at a total cost of YR 568 million, as follows:



1st agreement:

provision of a three-year support and primary services to refugees who land in Al-Ayn Bay, close to Balhaf, before their transfer to permanent refugee camps.

2nd agreement:

construction of six new schools in 2014 in target areas in Shabwah, benefiting 1,600 students.

3rd & 4th agreements:

rehabilitation of irrigation channels in Wadi Jordan and Ayn Bamabad Fish Auction.



40 COMMUNITY DEVELOPMENT PROJECTS WORTH YR 1.4 BILLION FOR MARIB

Yemen LNG General Manager, Jacques Azibert, and the Governor of Marib Sheikh Sultan Al-Aradah, also signed earlier this year in Sana'a three agreements that will provide YR 1.4 billion in financing for 40 community development projects benefiting the people of Marib.



Water agreement :

13 projects including installation of water networks and tanks, provision of pump units and drilling of water wells.



Education agreement:

11 projects including construction of 5 schools, one training hall, capacity building programs, school furniture and continuation of awarding 40 annual vocational and technical scholarships.

Health agreement:

8 projects including construction of a cardiac center within Marib General Hospital, training programs for health workers, provision of medical equipment and mobile ambulances.

Others :

8 projects in the fields of electricity, agriculture and development of women.



WELCOME TO THE LNG WORLD:

FIRST BATCH OF 12 ENGINEERS GRADUATING FROM YEMEN LNG SCHOOL OF TECHNOLOGY IN BALHAF WITH A DIPLOMA OF PETROLEUM STUDIES, MAJOR IN LIQUEFIED NATURAL GAS.



The **Diploma of Petroleum Studies** is a post-graduate training program and by far the first of its kind to be introduced in Yemen through Yemen LNG School of Technology in Balhaf.

LIST OF 2014 GRADUATES:



YOUNES ABDULKAWI ALI
ALKHATEEB



SALEM ABDULHAKIM
GREYNOON



BASHEER HEDFALLAH
HUSSEIN ALZEIDAR



AHMED ABUBAKER
MOHAMMED AL-RABASH



OMAR ALI ALAWI
AL-BAITI



ALA HADI AHMED
NASSER



OSAMAH MOHAMMED
ABDULLAH ALSALAMI



AHMED SAEEED MOHSEN
AL-HAJJ



AKRAM AHMED
MOHAMMED AL-HOSNIY



ASHRAF ALBARAKANI



HAITHAM MOHAMMED
FADHL MOHAMMED



ABDULLAH AHMED
ABDULLAH AL-AWLAQI



**YEMEN LNG SCHOOL
OF TECHNOLOGY,
BALHAF**



SPONSORSHIP ACTIVITIES 2014

CO-SPONSORING HUMAN RIGHTS MINISTRY'S DEVELOPMENT INITIATIVES IN 2014



A meeting between H.E. Minister of Human Rights Houria Mashhour and Yemen LNG General Manager Mr. Jacques Azibert, reviewing the role of the private sector and its efforts in supporting NGOs and the rights of communities for access to education, jobs, and development opportunities. Yemen LNG pledged US\$30,000 in support of the Ministry's 2014 development efforts.



Yemen LNG is also actively involved in various social responsibility initiatives for the benefit of human rights. In particular, the Company signed in February this year with the Society of Humanitarian Solidarity (SHS) a three-year agreement to provide support and primary services to refugees who land in Al-Ayn Bay, close to Balhaf, Shabwah Governorate, before their transfer to permanent refugee camps.

YEMEN LNG CO-SPONSORS THE INTERNATIONAL THALASSEMIA DAY



Continuing to act responsibly at the society level, Yemen LNG co-sponsored the annual event marking the International Thalassemia Day organized by the Yemen Society for Thalassemia and Genetic Blood Disorders which aimed to raise awareness and funding for the Society's annual interventions.

During the event which took place on Tuesday, 06 May 2014, President of the Society, Dr. Ahmed Al-Maqrabi, noted that there are about 3,200 registered thalassemia cases with the Society, up from about 200 a few years ago.



2ND AUTISM AWARENESS CONFERENCE - APRIL 2014

Yemen LNG co-sponsored the second Autism Awareness Conference which took place on 2 April in Sana'a and was organized by the Yemen Center for Autism, the first Yemeni NGO for autistic children care. The conference, held under the theme 'Hear Our Voices', aimed to raise awareness about autism disorder, and raise funds for the benefit of autistic children.



YEMEN LNG

A SOCIALLY RESPONSIBLE CITIZEN

**CONSTRUCTION OF
ELECTRICITY PROJECTS
WORTH ONE BILLION YR
BENEFITING AROUND 17,000
PEOPLE IN 33 NEIGHBORING
VILLAGES**



**ELECTRICITY
PROGRAM**





FUNDING OF 160 UNIVERSITY AND VOCATIONAL SCHOLARSHIPS ANNUALLY FOR HIGH SCHOOL GRADUATES FROM MARIB AND SHABWA



CONSTRUCTION AND UPGRADE OF MORE THAN 34 SCHOOLS, 57 CLASSROOMS AND TEACHERS' ACCOMMODATION



EDUCATION PROGRAM

YEMEN LNG... A SOCIALLY RESPONSIBLE CITIZEN

PROVISION OF HUMANITARIAN SUPPORT FOR DISPLACED PERSONS IN SHABWAH

In collaboration with the Society for Humanitarian Solidarity (SHS), Yemen LNG launched on 1 June a three day emergency campaign in support of the internally displaced persons (IDPs) in conflict- stricken areas of Mayfaa district, Shabwah. The aid package includes food staples for the benefit of over 2,000 IDPs.



Around 5,000 people from the southern parts of Mayfaa district were displaced to nearby safer areas and to Rudhoom district due to the recent security developments in Shabwa. Most of these IDPs have taken shelter in public buildings and a few are staying with host families.

The distribution of the food aid took place in the presence of officials from the local authorities and representatives of Yemen LNG.

LAUNCH OF A CAPACITY BUILDING PROGRAM FOR FISHERMEN IN THE COASTAL VILLAGES OF SHABWAH

In partnership with the Small and Micro Enterprise Promotion Service (SMEPS), a subsidiary of the Social Fund for Development, Yemen LNG launched a capacity building program targeting fishermen in the villages of Bir Ali, Erkah, Al-Jwairi, Jilaah, Ain Bamabad, and Hawrah. 200 fishermen have benefited from the program.



The training program included:

- Sessions on the use of the Global Positioning System (GPS) for 60 fishermen
- Boat engines maintenance sessions for 60 fishermen
- Awareness sessions on storing fish produce for 60 fishermen
- Training of trainers sessions for 20 fishermen

Yemen LNG also contributed the provision of 120 GPS devices and maintenance tools for the trainees.



بیر علی - شبوة

SUCCESS STORY



TRANSFORMING LIVES

72 HOUR EXPERIENCE SHARING AT LONG BEACH, US

Between 17-19 March this year, Long Beach of California hosted over 1,200 professionals from all over the world to share their experiences on health, safety and environment. Howaida Al-Naami, Yemen LNG Head of Sustainable Development Program, was attending to present a paper on the economic development of Yemeni women in the governorate of Shabwah. "It was more than great to participate in a high profile conference with participants from across the world. But that was not an easy task," she says.

Howaida is in charge of Yemen LNG's newly launched SME Micro Finance initiative, «Estathmer» and women development programs. Using her ample knowledge of the needs of neighboring areas near Yemen LNG operations, Howaida shared with the conference participants how she

was able to make a difference in the lives of rural women in target areas through its Micro Finance program.

Through her paper titled "Micro-Finance: A Tool for Promoting Women's Economic Development in Yemen's Governorate of Shabwah", she explained that through Estathmer, we were able to assist poor people, and young men and women to start their own businesses and improve therefore income generating capacities.

Howaida explained: "I stood on the podium and there before me was a large audience that came from different parts of the world. I was a bit stressed, and I all of a sudden I saw my former manager. I got excited and pointed out at her and called her by her name. Everybody laughed out, but this has really boosted my morale. It was a fantastic experience."

HOWAIDA AL-NAAMI IS ONE OUT OF 74 FEMALE MEMBERS OF STAFF AT YEMEN LNG. SHE JOINED THE COMPANY IN 2005. SHE NOW ASSUMES THE POSITION OF HEAD OF PROJECTS. SHE PARTICIPATED IN WORLD CONFERENCES, MISSIONS AND WORKSHOPS IN DUBAI, MYANMAR, MOROCCO, GERMANY, FRANCE, USA AND SAUDI ARABIA.

SPE INTERNATIONAL CONFERENCE ON HEALTH, SAFETY, AND THE ENVIRONMENT IS A BIENNIAL EVENT, AND FOR MORE THAN 20 YEARS IT HAS BEEN THE E&P INDUSTRY'S PREMIER INTERNATIONAL EVENT HIGHLIGHTING HSE BEST PRACTICES AND CHALLENGES.

"The topic I presented grabbed so much attention and showed how certain initiatives can transform the lives of extremely disadvantaged members of the society".

"I obtained new ideas. They will help me enrich programs and strategies. It expanded the scope of my understanding. It helped me look between the lines, to think of ideas that I have never thought of before and include them in our programs."

A SKILLED YEMENI PROFESSIONAL



Saleh Muhsin, 30, is from Shabwah Governorate. He was one of the trainees selected from a pool of over 16,000 applicants from all over Yemen seeking to join Yemen LNG technical training program. He first joined Yemen LNG as a trainee in 2006, at a time when the plant was still in construction. Saleh spent two years of intensive training in Sana'a and Balhaf, which included on job training for six months at Indonesia's Bontang LNG Plant, one of the largest LNG plants in the world. He then joined the operation team at Balhaf Plant. Now holds the position of Process Rover Operator as part of the production team, Saleh explains "we are proud

to see the Balhaf plant successfully delivering to the world".

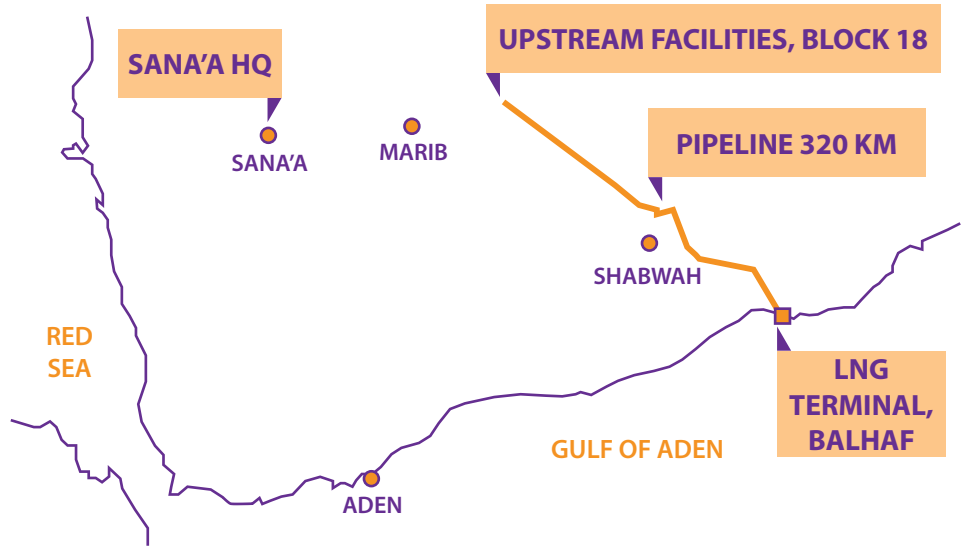
Hundreds of workers inside Yemen LNG Plant perform various duties around the clock using state-of-the-art technologies to guarantee achievement of the highest level of performance. By far this is the most novel technology existing in Yemen, and so Yemen LNG heavily invested in the capacity building of young Yemeni workers to qualify them on utilizing it. To that end, a training center was established in 2006, marking thereby a huge process of passing on technical expertise to the beginner workers.

HOW MUCH DO YOU KNOW ABOUT YEMEN LNG ?

MILESTONES IN THE LIFETIME OF YEMEN LNG

- JAN 1995**
Yemen LNG established
- MAR 1997**
Yemeni Parliament ratifies the Gas Development Agreement
- AUG 2005**
Yemen LNG signs sales & purchase agreements with KOGAS, GDF-Suez and Total Gas & Power Ltd
- SEP 2005**
Construction of the plant and pipeline begins
- MAY 2008**
Yemen LNG signs \$2.8 billion of project financing
- MAY 2008**
Yemen LNG completes 320-km gas pipeline construction from Marib fields to Balhaf
- NOV 2008**
First gas arrives at Balhaf through the pipeline
- NOV 2009**
Yemen LNG exports its first cargo of liquefied natural gas
- JUN 2010**
Yemen LNG fully inaugurated, with both trains operating
- NOV 2012**
Yemen LNG successfully achieves Lenders' Completion from its project financing consortium

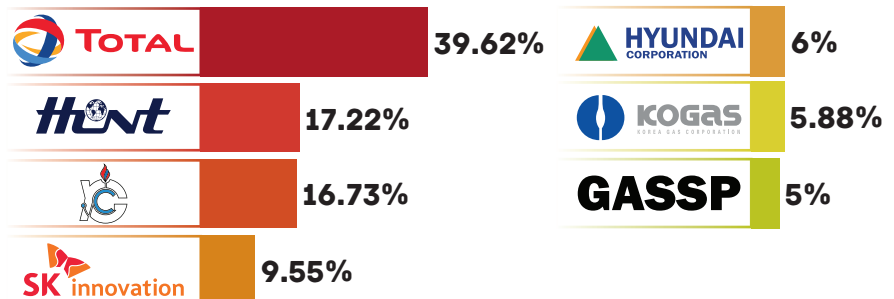
YEMEN LNG KEY COMPONENTS



WHAT IS LNG? HOW DIFFERENT IS IT FROM LPG?

- Liquefied Natural Gas is simply natural gas that has been cooled to minus 162 degrees Celsius.
- At this temperature, it becomes a liquid, with a volume 600 times less than the gas.
- It can then be transported on special tankers around the world.
- At the destination, it is warmed to convert it back into gas.
- Major buyers of LNG include Japan, South Korea, Taiwan, China, India, the UK, France and Spain.
- Natural gas is a clean fuel with much lower emissions of carbon dioxide than coal or oil.
- LNG is not a cooking gas. The cooking gas is called Liquefied Petroleum Gas (LPG). LPG is a different chemical compound to natural gas and it consists of propane and butane while LNG is mostly methane.

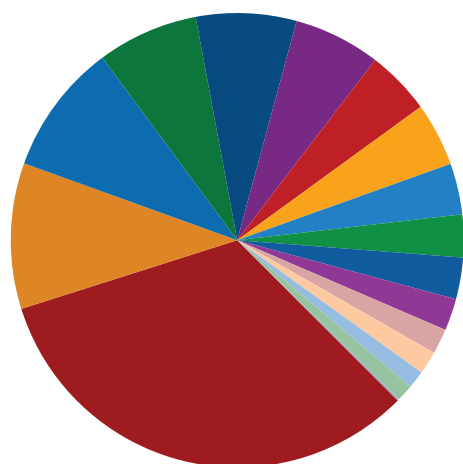
STRONG PARTNERSHIP





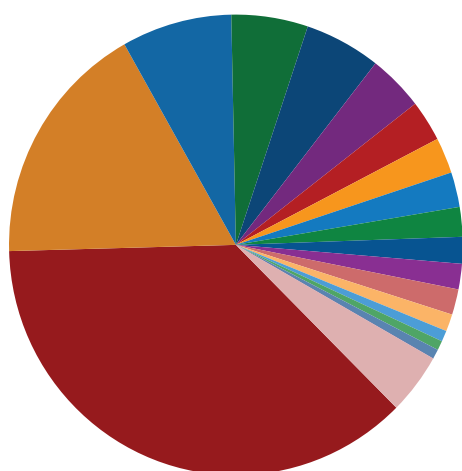
LNG STATISTICS

2013 LNG Exports by Country & Incremental Change Relative to 2012 (in MTPA):



- Qatar, 77.2, -0.2
- Malaysia, 24.7, +1.6
- Australia, 22.2, +1.4
- Indonesia, 17.0, -1.1
- Nigeria, 16.9, -3.1
- Trinidad, 14.6, +0.2
- Algeria, 10.9, -0.1
- Russia, 10.8, -0.2
- Oman, 8.6, +0.6
- Yemen, 7.2, +2.1
- Brunei, 7.0, +0.2
- UAE, 5.4, -0.2
- Peru, 4.3, +0.4
- Eq. Guinea, 3.9, +0.1
- Norway, 3.0, -0.4
- Egypt, 2.8, -2.3
- Angola, 0.3, +0.3

2013 LNG Imports by Country & Incremental Change Relative to 2012 (in MTPA)



- Japan, 87.8, +0.5
- South Korea, 40.9, +4.1
- China, 18.6, +3.8
- India, 12.9, -1.1
- Taiwan, 12.8, +0.1
- Spain, 9.4, -4.9
- UK, 6.8, -3.6
- Mexico, 6, +2.4
- France, 5.8, -1.7
- Argentina, 4.9, +1.1
- Brazil, 4.4, +1.9
- Turkey, 4.2, -1.5
- Italy, 4.2, -1
- Chile, 2.9, -0.2
- US, 1.8, -1.4
- Kuwait, 1.6, -0.5
- Malaysia, 1.6, +1.6
- Other, 10.1, -0.5

“Other” includes Belgium, Canada, Dominican Republic, Germany, Greece, the Netherlands, Portugal, Puerto Rico, Singapore, Thailand, UAE

Sources: IHS, US DOE, IGU

LNG NEWS WORLDWIDE

The LNG market will continue to be supply constrained at least until 2015.



With new few liquefaction capacity additions in the past two years combined with higher gas demand in Asia Pacific, the market has been tight. This condition will continue until 2015 when new Australian projects start up, adding an estimated ~18 MT of effective capacity, followed by another ~20 MT in 2016. Beyond 2015, the US may also introduce new capacity that can be traded flexibly adding more supply to the global market.

How will the availability of nuclear capacity in Japan and South Korea affect LNG demand?

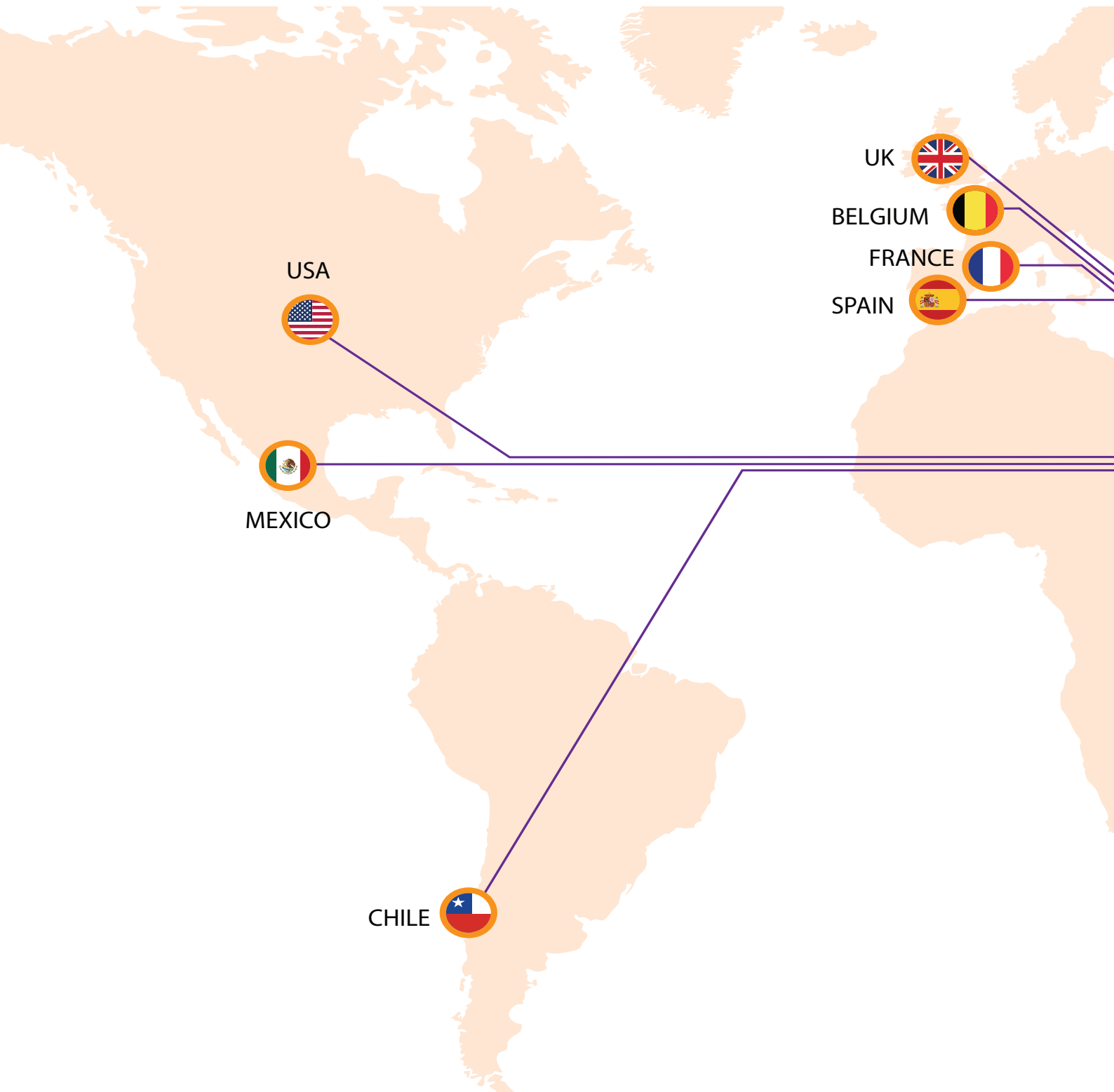


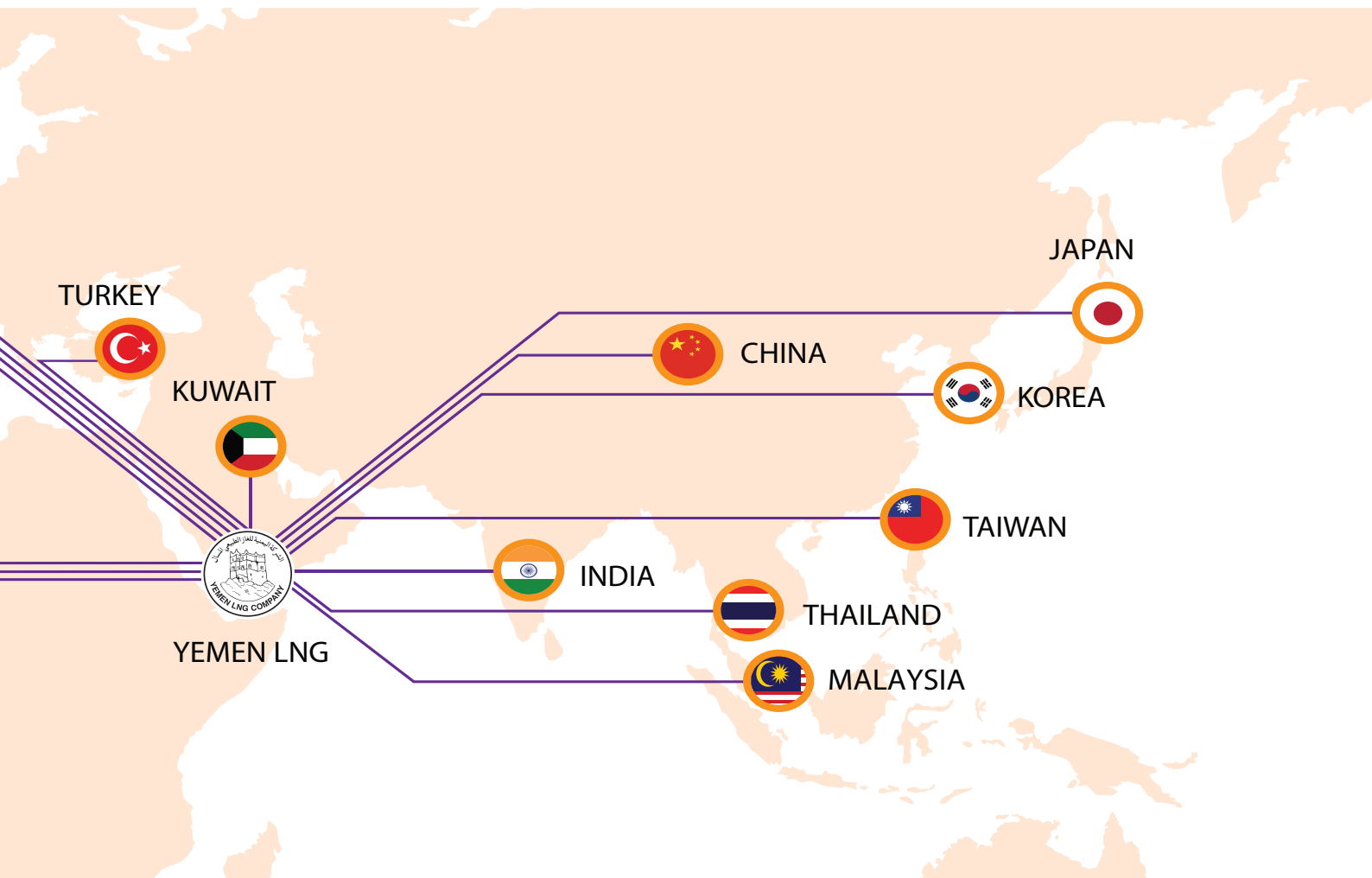
Japan and Korea will be the major drivers of change in the next two years – both have upside potential and downside risks. Japan is expected to restart nuclear plants – but how many will be online by the end of the year is unclear depending on operators successfully clearing inspections and local opposition. Korea also faces uncertainty regarding nuclear power given the ongoing safety shut-downs at several nuclear plants. Thus, Korea’s near-term demand trajectory is highly unpredictable.

Source: IGU – World LNG Report 2014.

HOW MUCH DO YOU KNOW ABOUT YEMEN LNG ?

YEMEN LNG MAP OF EXPORTS 2009 - 2013





QUIZ, AND VALUABLE PRIZES*

You can participate in the quiz of this newsletter to win valuable prizes! Answers can be found in this newsletter.

- What is the main difference between LNG and LPG?
- What is Gastech 2014? What did Yemen LNG have to do with it?
- Who won Yemen LNG Balqis Award 2013, and why?

Please send your answers to: PR@YEMENLNG.COM, and include the following:

- Name
- Job title (if available)
- Telephone number.

Deadline to receive answers is 20 August. A draw will take place to select three winners who will be contacted no later than 30 August.

** The quiz is open to all our external readers only*