

## *Foreword*

LUCIO A. NOTO

Former vice chairman, ExxonMobil, and former chairman and CEO, Mobil Corporation

**Q**atarEnergy plans to become the world's leading exporter of liquefied natural gas (LNG) and dominate LNG trade for decades to come. On February 8, 2021, the company announced it was proceeding with an almost \$30 billion investment to expand its North field LNG production capacity by nearly 45 percent, to 110 million tons per year—an impressive expansion which QatarEnergy called “the largest LNG capacity addition ever.” But this announcement was important for reasons beyond scale. It culminated in the resumption of Qatar's LNG development, which began in 2017 after more than a decade during which North field work was suspended, motivated primarily for political reasons. At the time, QatarEnergy stated it had concerns about damaging the gas-producing reservoir with excessive drilling and extraction. As is common in Qatar, however, there were backstories involving the country's relations with its larger neighbors. The North field extends across Qatar's maritime border with Iran, where it is known as South Pars. In 2005 South Pars remained largely undeveloped, and suspending North field work may have eased Iranian worries about “drainage”—migration of gas in the subsurface from undrilled, non-producing areas to wells in producing parts of the field—and gave the Islamic Republic time to catch up. For oil and gas projects in the region, diplomacy influences decision-making as much as geology and engineering studies.

*From Black Gold to Frozen Gas: How Qatar Became an Energy Superpower* probes the decision-making of several generations of leaders in Qatar and the companies and governments doing business with them, tracing the advances and reversals of a poor, desert sheikhdom, reliant on outsiders, as it developed its hydrocarbon resources and eventually became the world's wealthiest country. The book

illuminates the complexity of forces shaping the projects that would make Qatar, first, a producer and exporter of crude oil and, later and more importantly, a leading producer and exporter of LNG, natural gas liquids, fertilizer, and petrochemicals. Those forces included geopolitical pressures on Qatar from expansionist neighbors and global superpowers, economic stresses from oil and gas market gyrations and mechanical setbacks, competitive maneuvering among expatriate companies, and internal strains from royal family rivalries. I can attest that this was the mercurial context for every business decision made during Qatar's emergence as an energy superpower. I experienced it while helping to guide Mobil Corporation into Qatar's emerging LNG industry in the early 1990s as the company's chairman and CEO. Michael Tusiani, a close friend and adviser, was the one who urged me to believe in Qatar and invest in its gas potential. He knew Qatar well as CEO of Poten & Partners, which had been active in the nation since 1974 as a gas and shipping consultant. In retrospect, investing in Qatar was Mobil's best decision. A strong position in Qatar's LNG industry has become ExxonMobil's prize asset. And Tusiani, with his background and access to people and information, is more qualified than anyone I know to chronicle Qatar's fascinating energy history.

Rich as its past, it is a history with more future than past. Qatar is a relatively young country, having become an independent state in 1971. And it only recently brought its ambitions into full view. In 2018, a year after disclosing its intention to revive the development of its North field, QatarEnergy raised its LNG export capacity target to 110 million tons per year. It also jolted the oil-producing world with an announcement that underscored its priorities—the following year it would leave the Organization of Petroleum Exporting Countries (OPEC), to which it had belonged since OPEC's second meeting in 1962. A midlevel oil producer at best, Qatar was aligning its future with its dazzling endowment of natural gas. Furthermore, it was serving notice that it would again become the world's largest exporter of LNG, surpassing both the United States and Australia. Plans do not end there. In a second phase Qatar intends to further expand LNG capacity to 126 million tons per year and has said it is "evaluating further LNG capacity expansions beyond that amount."

As impressively comprehensive about Qatar's past as *From Black Gold to Frozen Gas* is, it also brings the reader to the start of a future promising to be even more interesting. It is a future in which I have full confidence. I have seen Qatar through

setbacks and disruptions. I have seen the country wield influence beyond its size with a spirit of determined independence. And I look forward to watching as its gas-based destiny unfolds. For anyone wanting to understand an energy superpower committed to managing its affairs its own way, the information and insights in this book are indispensable.

