

Decoding Blockchain for Oil and Gas in Saudi Arabia

With innovations that could slash production costs by five percent or more, innovator Nick Spanos declares that the “future has arrived for Saudi Arabia’s energy market”



As the potential uses for blockchain technology reach every sector imaginable, it is set to have sweeping implications for the oil and gas industry, with recent advancements that are pushing overhead costs to record lows.

Relentless demand for efficiency and transparency -- paired with little progress -- brings the energy industry to a crossroads. With paper contracts and archaic trading platforms, implementing blockchain’s distributed ledgers and smart contracts could finally catapult the industry into the digital era.

At the heart of the world’s oil production, Saudi Arabia’s huge investments in high tech make it by far one of the most fertile regions in the world for blockchain.

“The future has arrived for Saudi Arabia’s energy market. As blockchain reinvents every aspect of the oil and gas industry, it’s good news for a sector that for decades has seen very little progress,” says Nick Spanos, Co-Founder of [Zap.org](https://zap.org), who will speak at Decoding Blockchain KSA this month.

With smart contracts using [Zap.org](https://zap.org) oracles, firms can now track the production of a barrel of oil from when it leaves the ground, to its delivery to the consumer. This way, contractors, vendors and taxes at every stage -- upstream, downstream, and shipping -- would be paid the instant they’re owed, based only on what the smart contract verifies has occurred in that stage of production or shipping.

Thanks to this reinvention of chain-of-custody logistics, transport and shipping will be seamless, accounting will occur on the spot, and clearing will be instant.

Analysts also point out that it could reduce expenses by five percent — or more. For Saudi Arabian oil producers and the government, that’s billions of dollars saved. Every year.

Until recently, a smart contract could generally only function with data already programmed in the blockchain. Now, using [Zap.org’s](https://zap.org) ‘oracles’, smart contracts can verify trusted sources of data and events, and making the contracts dynamic and responsive.

Their EnergyLedger project is customizing blockchain solutions that private industry and governments can use to smooth out the supply chain, slash arbitration and clearing costs, and nearly eliminate tangled backroom trading and accounting offices.

“Decentralized, peer-to-peer trading is the future; it means unprecedented transparency, less administrative burden, and fewer middlemen,” explained Mr. Spanos.

Spanos adds that blockchain's distributed ledger reduces vulnerability to cyber terror, by ensuring that there's no longer a single point of attack for cyber criminals. Instead of passwords and data being on a central database, each user controls their private key and data.

In a globally-connected economy, the impact of transitioning to blockchain technology is expected to be profound and turn any industry on its head -- particularly the oil industry. Even if the oil sector has lagged behind in adopting this technology, industry leaders say that it is bound to happen. As oil producers struggle to find stability and strive to reduce costs -- while consumers increasingly demand greater transparency -- could blockchain finally offer the solution?

Come find out from the best minds in the blockchain space at Decoding Blockchain KSA, Saudi Arabia's very first blockchain conference. While the conference offers unique networking opportunities for attendees to connect with Blockchain industry leaders and innovators, it will also present a range of speaker sessions through which participants are given the opportunity to meet with innovators who offer business solutions that will help the oil and gas industry reduce costs and improve efficiency and integrity.

Hear from blockchain industry leaders from across the pan-Saudi region — as well as the rest of the world — when they convene on a single platform on April 23rd and 24th, 2018 at The Riyadh Marriott.

Register Now: DecodingBlockchain.com

Feel free to reach out with any questions, and to help plan your attendance at the conference.

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