

Oil & Gas News

EIA: Iran OPEC's third-largest oil producer

Domestic Economy Desk

US Energy Information Administration (EIA) says Iran's crude oil production increased in 2014, increasing its rank to the third-largest crude oil producer in the Organization of Petroleum Exporting Countries (OPEC) during the first half of 2014.



EIA said in its latest report that Iran's oil output in the first seven months of the year exceeded 3.2 million barrels per day, increasing 131,000 barrels per day compared with the same period of last year.

In 2013, Iran dropped from being the second-largest producer in OPEC to the fourth, standing behind Saudi Arabia, Iraq and the United Arab Emirates.

Iran's exports of crude oil and gas condensate dropped from 2.5 million barrels per day in 2011 to 1.1 mbpd in 2013 because of Western sanctions imposed on the country over its nuclear energy program.

The largest buyers of Iranian crude and condensate are China, India, Japan, South Korea and Turkey, EIA said.

Iran holds nearly 10 percent of the world's crude oil reserves and 13 percent of OPEC reserves. About 70 percent of Iran's crude oil reserves are located onshore, with the remainder mostly located offshore in the Persian Gulf.

The country also holds proven reserves in the Caspian Sea, although exploration has been at a standstill, the report added.

SP Gas Complex earns over \$900m

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South Pars Gas Complex has earned \$989 million by producing over 1.6 billion cubic meters of gas in the six months ending Sept. 22, managing director of the company said.

Masoud Hassani made the remark on the sidelines of the meeting with the visiting Deputy Oil Minister Mansour Moazzami, adding that the time for repairs has witnessed a 40-percent decline by increasing efficiency.



"In this period, propane and butane production increased by 272 and 59 percent respectively, compared with the same figure of last year," he said.

Speaking on the 99.7-percent reliability of the complex, the official said gas injection to the Fifth National Pipeline also showed a 78-percent increase.

Statistics on the complex's production will be analyzed in weekly meetings called "monitoring production performance", he said.

Hassani noted that the complex's development will also be examined every three months to fulfill the programs of 2025 Vision.

Tender winners of Siraf refining project finalized

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Tender winners of the Comprehensive Refining Project of Siraf have been finalized.

Deputy Oil Minister Mansour Moazzami added that it was the first refining investment project, hoping that the removal of short-comings will pave the way for further projects, Shana reported.

The project includes eight 60,000-barrel refineries, which will be built in Pars Special Energy Economic Zone (PEEEZ) by the private sector.

The construction of eight gas condensate refineries in Siraf will increase their production to 480,000 barrels per day of light oil.

Touching upon the qualifications of 50 companies reviewed in the tender process, the Oil Ministry announced that eight companies will implement the project.

The ministry is seeking to use the capabilities of these companies in other oil projects as well.

The refineries will be built in an area covering 250 hectares that PEEEZ will rent to private operators for 20 years, which can be extended.

Iran seeks to double gas output by 2017

Iran plans to double gas production to 1 billion cubic meters per day by 2017, because of the rising output from the South Pars Gas Field, the head of state-owned gas company said.

Holding the world's largest natural gas reserves, Iran produces as much as 550 million cubic meters (mcm) of gas a day, and work on four phases of South Pars will add 100 mcm by March, Hamid Reza Araqi, managing director of National Iranian Gas Company (NIGC), told Bloomberg in Tehran.

"Our forecast is that during the winter this year, our production will reach 680 mcm," including output from fields other than South Pars, he said, without identifying the additional deposits.

"Over the next three years, our plan is to increase production to 1 billion cubic meters per day. The Persian Gulf country plans to achieve its gas target for 2017 even if sanctions stay in place."

South Pars, together with Qatar's North Field, comprises the world's biggest gas deposit.

Araqi said Iran exports 30 mcm of gas a day, mostly to Turkey, and has signed an agreement to start supplying power plants in neighboring Iraq by April.

The NIGC chief announced exports to Iraq are due to increase to 25 mcm a day in three years.

"Right now, we only have a contract to supply Baghdad. Iran is able to expand supply to include buyers in Iraq's southern Basra province and the country's northern Kurdish region, depending on the outcome of talks between the two governments," he said.

"We will be ready to export gas, if



they can be ready to receive it from us. If they can't, then we can use it for our own supply needs."

Iran also has a \$1.3 billion contract with neighboring Pakistan to supply that country with 21.5 mcm of natural gas a day. The project has been on hold,

as Pakistan has failed to build its section of a shared pipeline because of a lack of funds.

South Pars, which Iran shares with Qatar in the Persian Gulf, is estimated to contain 14 trillion cubic meters of gas and 18 billion barrels of condensates.

In 2012, the US and the European Union imposed tough restrictions against Iran's energy sector. The ongoing nuclear talks between Iran and six world powers have raised hopes of lifting sanctions.

Private sector funds 90% of IMIDRO projects

Ninety percent of the projects belonging to the Iranian Mines and Mining Industries Development and Renovation Organization (IMIDRO) are funded by the private sector.

Speaking in the organization's General Assembly, Deputy Industries, Mines and Trade Minister Mehdi Karbasian said based on IMIDRO's plan to boost private sector participation, the project cost projected by the government amounted to \$1.23 billion.

"Out of the 29 projects, contractors have been selected to implement seven projects and some of

the projects have been implemented by the private sector," he said.

Karbasian noted that the private sector has a 65-percent share in some of the provincial steel projects.

"Implementation of complementary phases of Sangan with a 51-percent private sector share, formation of a private sector consortium with steel companies for the implementation of a graphite electrode project and the presence of private sector in the implementation of projects for the development of mines 5 and 6 of Golgozar are some of the projects," he said.



Transactions with Iraqis to resume via Sumar



Grounds have been prepared for trade exchanges between Iranian and Iraqi businessmen through Sumar Border Market.

Ghaffar Mohammadi, caretaker of Kermanshah Cooperatives and Trade Chamber, also told IRNA on Monday an agreement has been reached with the Iraqi side for expansion of trade transactions through broader cooperation.

Mohammadi said the coopera-

tives are ready to provide quality goods to Iraqis.

"In addition to supplying commodities needed by the people of Diyala, it is also possible for the border cooperatives to meet the demands of the people of Baghdad as well as the southern provinces of Iraq," he said.

He further said that due to the suitable access of Sumar with the Iraqi capital, this market is the most suitable place for undertak-

ing bilateral trade.

Mohammadi said the reopening of Sumar Border Market was a dream and the legitimate demand of the people of this region, which has turned into a reality.

An agreement has been reached between the two sides for the dispatch of a trade delegation from Diyala province to Kermanshah next week for discussing development of bilateral trade exchanges.

German exports to Iran soar

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"These relatively small steps have been like a lever starting a bigger movement," said Jens Nagel of the BGA exporters' and wholesalers' association.

"The German economy especially could profit from a relaxation (in the sanctions)," he said, adding there was demand in Iran for German machines, vehicles and chemicals.

Several major companies such as Siemens had been forced to reduce their activities in Iran due to the sanctions. Other companies with business interests there include Bayer and utilities RWE and E.ON.

Iran and the six powers – the United States, China, Russia, Britain, France and Germany – have set a deadline of Nov. 24 to reach a long-term agreement on Iran's nuclear program.

