
Japanese firms set for USD 10 billion Iraqi deals

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Tanker World reported that a conglomerate of Japanese companies is set to seal a USD 10 billion deal with the Iraqi government.

As per report, led by oil refiner Nippon Oil Corporation, the conglomerate is in the final stages of discussions on a USD 10 billion development contract for Iraq's Nassiriya oilfield.

The conglomerate also includes Japanese oil exploration firm Inpex Corporation and plant engineering firm JGC Corporation. The conglomerate is said to have been in contest with Italy's ENI and Spanish oil major Repsol for the engineering, procurement and construction contract.

Industry sources divulged that Repsol has pulled out of the bidding.

Mr Hussain al-Shahristani Iraqi oil minister was quoted as saying that his Oil Ministry has indeed made a selection to develop Nassiriya and has sent its choice to the cabinet for ministerial approval. He however declined to identify the selection.

Local Japanese newspaper Yomiuri indicated that an agreement could be reached as early as next month.

According to Yomiuri, output from the project would be 150,000 barrels per day for 2 years after drilling begins followed by a target of 600,000 barrels per day. That figure would make up for some 15% of crude imports by Japan which is the world's third largest consumer of oil.

It has been said that the Iraqi government is not satisfied with its current production of around 2.4 million barrels per day and thinks there is "severe underexploitation" due to sanctions and wars over the past decades.

A target of 6 million barrels per day has apparently been set to be achieved within the next 5 years through an influx of foreign capital via exploration tenders and engineering deals.

(Sourced from tankerworld.com)

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