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## **Iraq to develop Maysan oilfields with Chinese firms**

*Wednesday, 10 Mar, 2010*

Reuters reported that Iraq has signed an initial deal with China's CNOOC and Sino chem to develop the 2.5 billion barrel Maysan oilfield complex.

Mr Hussain Al Shahrastani oil minister of Iraq said that a final deal with both companies will be signed in the coming days after they accepted the government's proposed remuneration fee of USD 2.30 for every additional barrel of oil produced. He said that the Chinese companies have accepted all our conditions for this field. We have an authorization from the Cabinet to sign the final deal.

CNOOC, together with Sinochem made an unsuccessful bid for the three Maysan fields in Iraq's first auction of oilfield contracts last year. But since then they had decided to accept the government's proposed remuneration fee of USD 2.30.

CNOOC and Sinochem had projected plateau output of 450,000 barrels per day when they first made the bid last year. The deal is one in a series of contracts with international oil companies that could boost Iraq's output capacity to 12 million barrels per day, rivalling top producer Saudi Arabia, from around 2.5 million barrels per day now.

Meanwhile, the government is hoping that the deals will generate cash needed to rebuild Iraq's shattered economy after years of war, sanctions and economic decline.

(Sourced from Reuters)

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