
New Iraq deals to spur oil output

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It is reported that the Iraqi government is expected to pay as much as USD 2.5 billion to five top oil companies to increase the country's oil output by nearly a quarter.

Mr Thamir Ghadhban oil minister of Iraq said he expects the contracts to be signed by early next month. He said "There is a rough estimate that it could cost about USD 400 million to USD 500 million per field. So a total could be up to between USD 2 billion and USD 2.5 billion over two years that should be paid by the government to companies."

Mr Ghadhban said Iraqi representatives met with company officials last week in Amman, Jordan, to discuss final details of the contracts, including whether payment would be by cash or by oil. He said "As far as we are concerned, everything is positive and it is a matter of time for the minister of oil and oil companies to finalize and shake hands."

Shell is negotiating for the northern Kirkuk oilfield and is also in talks, along with BHP Billiton, for the development of the Maysan fields.

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