
Iran inks contract with CNPC to develop phase-11 of South Pars

Friday, 12 Jun, 2009

Pipe Line Dubai reported that Iran has signed a USD 4.7 billion contract with China National Petroleum Corporation to develop phase-11 of the South Pars gas field, pushing the project forward without partnership from western companies.

Iran's official Irna news agency said that State owned National Iranian Oil Company sealed the cooperation agreement between Iran and China, replacing the French company Total.

Mr Seifollah Jashnsaz MD of NIOC signed the deal after closing negotiations with CNPC in Beijing last week. Total has a memorandum of understanding with NIOC for the project phase but had failed to reach an agreement on contract terms.

Mr Jashnsaz said that Total had wasted time in developing phase-11 and warned that a new partner may enter in place of the slow-moving development. Total downplayed the developments as market rumors according to reporters.

NIOC has reportedly accused Total of delays and said it had given the Paris-based company an ultimatum 6 months ago to finalize work before Tehran moved forward with another partner.

The NIOC boss said that Total could continue negotiations on involvement in the field's downstream sector.

(Sourced from Pipe Line Dubai)

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