

No halt to fuel oil exports in the cards: NIOC official

Tehran Times Economic Desk
TEHRAN — The National Iranian Oil Company's managing director on Saturday rejected a Reuters report which claimed that Iran would be stopping fuel oil exports.

Seifollah Jashnsaz told IRIB that there would be no halt in fuel oil exports and that the country would be continuing the shipments to its trading partners as usual.

Reuters had reported that Iran would halt shipments of the heavy fuel starting in August in order to build up domestic stocks ahead of winter and due to a heavy fourth-quarter maintenance season.

Research on Iran CNG Industry underlined

TEHRAN (FNA) — Iranian Minister of Oil Gholam Hossein Nozari said that safety is the first priority in the CNG industry, urging the state and private sectors to conduct more researches to promote quality and safety in the field.

Addressing First National Conference on CNG and Allied Industries Saturday, he said that based on the estimates, at least one CNG station should exist for 1,000 cars.

"Unfortunately, we are far from the desired situation and many efforts should be made to prevent long queues in the stations," he noted according to an IRNA report.

Referring to the fact that transportation industry is one of the fossil fuel-consuming sectors, he also predicted that the number of cars in the country will rise from 9 million to 23 million in the Fifth Development Plan.

Therefore, finding suitable fuel replacements is one of the policies of the Oil Ministry, he said.

Stating that the ninth government has taken a long-term look at the CNG industry since it was in office, Nozari said currently a total of 815,000 dual-fuel cars exist in the country.

"There are 515 CNG stations in the country, 120 of which became operational this year and 200 last year," Nozari said.

Involvement of the private sector in the industry can boost sustainable development and job generation, he said, noting that development of CNG stations tops the ministry's agenda.

Since CNG industry is fledgling in Iran, the need to compile standards to that effect is strongly felt, Nozari concluded.

Indonesia warns oil output to finish in 10 years' time

JAKARTA (Reuters) — Indonesia's oil watchdog, BPMIGAS, warned that the country's dwindling oil reserves could be exhausted in 10 years' time if no new reserves are found.

Indonesia has struggled to develop its rich energy resources, turning into a net importer of crude oil in recent years.

Southeast Asia's biggest economy said earlier this year that it would quit the Organization of the Petroleum Exporting Countries (OPEC) because as a net oil importer it is not happy with high global crude prices.

"The declining rate in production is between 8 to 10 percent per year. That means production will finish in 10 years' time if we have not found new reserves," Edi Purwanto, deputy chief of watchdog, BPMIGAS, told reporters.

"There are certain factors about the investment climate that make investors worry about investing in Indonesia," he said.

Foreign investors in Indonesia's resources sector often complain about the uncertain regulatory environment and lack of respect for contracts.

StatoilHydro honors existing contracts with Iran

Tehran Times Economic Desk
TEHRAN — StatoilHydro Company's office in Tehran announced that this company will fulfill its obligations regarding Iran's oil projects.

The company reiterated its willingness to keep transparent relations with the National Iranian Oil Company (NIOC), IRIB reported on Sunday.

"We are in constructive negotiations with the NIOC but we usually don't comment on the details," the company said regarding its talks with the NIOC for development of Azar oilfield.

Iran ready to develop Azar oilfield

Iran says the offshore oil and gas company, StatoilHydro has not confirmed if it will hold back on development of the nation's Azar oil field, Press TV reported.

"In case StatoilHydro decided to refuse developing the Azar oilfield in the Anaran block, Iran will use domestic contractors to develop the field as it did in the Azadegan oilfield," Iranian Oil Minister Gholam-Hossein Nozari told reporters.



North Hydro, before being merged with Statoil, discovered the Azar oilfield and has stressed the development of the field, he added.

Under heavy US pressures StatoilHydro chief executive Helge Lund announced on Friday that the Norwegian company will not invest in new projects in Iran.

"We have been evaluating our investment decisions and, having informed the authorities in Norway and the European Union and discussed the issue with the US, our view is that this position is in the best interests of shareholders and the company," Lund said.

Iran and Statoil had finalized their negotiations on the development of the Anaran block's Azar oilfield, in which Russian Luke Oil Company holds a 25 percent stake.

Nozari said many foreign oil companies are interested in investing in Iran's energy sector and that, if StatoilHydro were serious about withdrawing from the Azar oilfield, Iranian contractors were capable of developing the field.

IPI pipeline negotiations postponed

Tehran Times Economic Desk
TEHRAN — The negotiations on the Iran-Pakistan-India pipeline have been postponed because Pakistan's deputy minister of petroleum and natural resources was replaced.

Iran and Pakistan were to continue their discussions about IPI pipeline issues later this month, PIN reported.

G.A. Sabri took over from Zafar Mahmood as the new Pakistani deputy minister of petroleum and natural resources.

The Iran-Pakistan-India gas pipe-

line, also known as the IPI pipeline or the Peace pipeline, is a proposed 2,775 kilometer (1,724 mi) long pipeline to deliver natural gas from Iran to Pakistan and India. Iran is interested in including China in this project.

The project is expected to greatly benefit both India and Pakistan which do not have sufficient natural gas to meet their rapidly increasing domestic demand for energy. India is predicted to require 146 billion cubic meters (bcm) of gas per annum by 2025, up from 33 bcm per annum in 2005.

Sinopec launches bid for Imperial Energy: paper

LONDON (Reuters) — Chinese state-owned oil company Sinopec has launched a bid for Imperial Energy, in a move that could trump an existing 1,290 pence a share offer for the London-listed energy group, The Sunday Telegraph reported.

Imperial Energy's board has allowed Sinopec, which is also known as China Petroleum & Chemical Corporation, to start due diligence, the newspaper said.

The Chinese company was understood to have approached au-

thorities in Russia, where Imperial has most of its assets, to get clearance for its approach, The Sunday Telegraph said.

Imperial Energy said last month it had received a cash offer of 1,290 pence a share, valuing the group at 1.3 billion pounds (\$2.57 billion). Industry sources identified the bidder as Indian state-controlled Oil and Natural Gas Company Ltd (ONGC).

A spokesman for Imperial Energy declined to comment. Sinopec could not immediately be reached for comment.

OPEC to address oil quota violations

Ongoing quota violations encouraged by the US are expected to be high on the agenda of the upcoming regular OPEC meeting in September.

The 132nd session of the Organization of the Petroleum Exporting Countries (OPEC) is expected to commence in Vienna on September 9 to review crude output.

Despite OPEC decisions to maintain crude output levels, member-state Saudi Arabia in late June gave in to US demands and raised crude production by 200,000 barrels per day.

"If you want to move more oil, you need a buyer," said Saudi Oil Minister Ali Naimi at a press conference in Riyadh in defiance of US calls.

Washington blames OPEC for the world's rising oil prices and claims that supply is not keeping pace with

demand. Experts and politicians from around the world, however, are of a different opinion.

"The Saudis can produce more but they can't sell it," said the founder of Houston-based oil industry consultant PetroLogistics Ltd., Conrad Gerber, in a telephone interview with Bloomberg. "The demand's not there."

"As far as fundamentals are concerned I think we have equilibrium between supply and demand. . . . In fact right now we have more supply than demand," OPEC President Chakib Khelil said July 29 in reference to claims that supply does not fulfill global demand.

Congressman Bart T. Stupak, chairman of the subcommittee investigating commodity market speculation, has also spoken out on the issue, implicating US manipulation

as the cause for the oil crisis. "Speculations now account for about 70% of all benchmark crude trading on the New York Mercantile Exchange, up from 37% in 2000."

This is while the upcoming OPEC summit may witness discussions on quota violations to reverse actions provoked by the US and its allies in raising production.

"In the event of a continued drop in oil prices, one of the serious discussions in OPEC's coming gathering will be the observance of quotas in a way that countries which have raised production must bring the

situation under control," Iranian Oil Minister Gholam-Hossein Nozari told reporters on Saturday, without naming any country.

"OPEC as the body responsible for market control will have to pay increased attention to observance of quotas and I think OPEC will pay special attention to this issue," he added.

OPEC founding member, Venezuela, said last week that financial speculation and not production levels are responsible for the current oil prices, adding that OPEC should not "flood the market" with more barrels. (Source: Press TV)

Oman may sell Caspian pipeline stake

MUSCAT (Reuters) — Oman would consider selling its seven per cent stake in the Caspian Pipeline Consortium (CPC) if the Persian Gulf Arab state receives a favourable offer, a finance ministry official said on Saturday.

"If the offer is right, then why not? We have had a few interested parties but nobody put in a firm proposal," the official, who declined to be named, told Reuters.

Last month, Kazakhstan and Russia voiced interest in buying Oman's 7 per cent stake in CPC should the Persian Gulf state decide to sell out.

Shareholders in CPC, the key export route for Kazakh crude, are struggling to come to terms on the pipeline's expansion, with Russia, the key host state, opposing the plan.

Industry sources told Reuters last month that Oman, frustrated with delays, had decided to quit the project.

"We are not really frustrated, as reported earlier, with the project but we may sell purely from a business point of view," the official said.

Russia has a 24 per cent stake in CPC and Kazakhstan owns 19 per cent. The rest belongs to private shareholders: Chevron, BP, Royal Dutch Shell, ExxonMobil, Lukoil and Rosneft.

Algeria says plans \$45.5b energy investment

ALGIERS (Reuters) — Algeria's energy sector plans to invest \$45.5 billion in 2008-2012, with \$35.8 billion from state company Sonatrach and \$9.7 billion from foreign partners, Energy and Mines Minister Chakib Khelil said in remarks published on Sunday.

The aim of the spending is to increase the north African OPEC member country's oil production and gas exports, Khelil was quoted as saying by the Algeria Weekly Energy magazine.

"Sonatrach total investment, including its partners' share, over the medium term plan of 2008-2012, amounts to \$45.5 billion," he was quoted as saying.

Of that figure some \$35.8 billion represents Sonatrach's own investment, transport by pipelines, downstream activities and petrochemical projects, as well as external servicing activities set up through joint ventures.

"The remainder of \$9.7 billion concerns investments by foreign partners." Sonatrach, the state-owned oil and gas conglomerate, is Africa's largest company by revenue.

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SECOND ANNOUNCEMENT


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TENDER NO.: FSS-8620121

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POSTAL CODE: 19395, P.O.BOX: 5591, PROCUREMENT AND MATERIALS FOREIGN PURCHASING DEPARTMENT. CONTACT:

FAX: (98)-21-22664250-1 E-MAIL: MPD@IOOC.CO.IR

PUBLIC RELATIONS
IRANIAN OFFSHORE OIL COMPANY