

Energy Geopolitics: Iran, Turkey sign preliminary deal on gas transfer

By [Global Research](#)

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Iran signed a memorandum of understanding (MoU) with Turkey on Monday for the development of two phases of its South Pars gas field in the Gulf and on transferring gas to Europe, Iran's oil minister said on Monday.

The two sides had signed a deal last year on joint gas production and export of Iranian gas via Turkey to Europe. But since then they have been working to finalize the deal, such as hammering out investment terms. The report on the Iranian oil ministry's Web site SHANA about Monday's MoU gave few details.

Turkish Energy Minister Hilmi Güler has been in Iran to discuss expanding energy cooperation, a move that has drawn criticism from the United States which is seeking to isolate the Islamic Republic over its nuclear plans.

"This [MoU] is about the development of phases 23 and 24 of the South Pars gas field with the joint investment of Iran and Turkey. Fifty percent of gas produced from these fields will be sold to Turkey," Oil Minister Gholamhossein Nozari said, SHANA reported.

Nozari said a second part of the deal covered transporting gas to Turkey from Iran, and a third element covered transferring 35 billion cubic meters of gas a year onwards to Europe.

Under the deal signed last year, Turkey was to extract 20.4 billion cubic meters of gas from South Pars.

Turkish Energy Ministry sources told Reuters last month that the neighbors had resolved problems on planned investment in South Pars and that they might sign a deal in November.

Ankara imports about 10 billion cubic meters of gas each year from Iran, about 30 percent of its natural gas needs. An Iranian deputy oil minister, Akbar Torkan, said Turkey had asked Iran for more gas but did not give details.

Iran sits on the world's second biggest gas reserves but last winter it cut exports to Turkey in an unusually cold snap when Tehran struggled to meet domestic demand. Iranian officials have since said they have taken measures to prevent a reoccurrence of the event.

"We have had positive negotiations with Iranian officials and they have promised us that there will not be any problem with respect to gas supply to Turkey this winter, and we have no worries," Güler was earlier quoted by SHANA as saying.

Güler was speaking from Assalouyeh, the heartland of Iran's gas industry on the Gulf.

Iran and Turkey are also discussing plans for joint venture electricity generation. Iranian state radio quoted Iranian Energy Minister Parviz Fattah as saying the two had reached agreement about power plants with a total capacity of 6,000 MW.

"We agreed that part of these power stations would be constructed on Iranian territory and part on Turkish territory near the Iranian border," Fattah said after talks with Güler, adding Iran would supply gas or gas oil for the plants.

He also said there were plans for hydroelectric power generation in Iran. After previous discussions, officials said the hydroelectric plant would have a capacity of 10,000 MW.

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