

Iran and Italy to Sign Gas Export Agreement

Iranian energy deals made or in process with Turkey, China, Austria, Oman, India, France

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Iran and Italy would ink an initial agreement on gas export in the near future, the National Iranian Gas Export Co. (NIGEC) managing director said here Wednesday.

Nosratollah Seifi said the company had held talks with Italian officials and the two parties would soon sign a memorandum on export of Iran's gas to the European state, Moj News Agency said.

Talking about the gas transmission route, the NIGEC head added the commodity would pass through Turkey and Greece before reaching the Italian territory.

Despite the US pressures and threats, different states are expanding their cooperation and ties with the Islamic Republic.

IRNA also reported that Khomein Petrochemical Complex and Italian company Basell signed a 20 million euro contract on the transfer of technology.

China's top refiner Sinopec Corp. will nearly triple its imports of Iranian crude next year, increasing Beijing's reliance on the OPEC producer.

Its state-owned parent Sinopec Group has agreed to buy 160,000 barrels per day (bpd) from Iran next year, up from this year's 60,000 bpd, two sources familiar with the supply negotiations told Reuters last Thursday.

Including a separate pact, agreed earlier between China's state-run Zhuhai Zhenrong Corp. and National Iranian Oil Company, China has contracted to buy 400,000 bpd of Iranian crude for next year, roughly 6 percent of China's total crude demand.

The supply deal comes days after the state-run Chinese oil giant finalized a \$2 billion pact to develop Iran's huge Yadavaran oilfield, after nearly three years of negotiations, part of Beijing's plan to help ensure a stable, secure supply of oil for the world's second-largest consumer.

Analysts saw the deal as a further sign of a long-term strategic relationship between China and Iran.

Iranian Oil Minister Gholam Hossein Nozari said the French oil company Total had voiced its preparedness to make a 12 billion dollar investment in Iran's liquefied natural gas (LNG) project.

He added Indian companies had voiced preparedness to launch oil exploration operations in 17 Iranian oil blocks.

“I would like to say it in a straightforward manner that sanctions have left no impact on the production sector of this industry and our production capacity has grown from 4m to 4.150m barrels per day,” he said.

Royal Dutch Shell, French giant Total, and Spain’s Repsol have stakes in Iran’s other two main LNG projects, as well.

Manager of Total Christophe de Margerie said the giant energy group would press on with talks on Pars LNG, Iran’s first liquefied natural gas export terminal, a project which requires a \$15 billion investment, adding Total would look at the political situation only once a deal is ready.

Paulo Scaroni, the Italian company Eni’s chief executive, told the Financial Times that Eni had ‘no intention’ of pulling out of Iran.

Other companies are, however, taking a bolder stance when it comes to Iran LNG. Union Fenosa, the Spanish energy company, says its subsidiary, Socoin, was awarded a 32.5 million euro engineering contract for Iran LNG in August. OMV, the Austrian oil and gas company, in April signed a preliminary agreement with Tehran for a stake in Iran LNG, but this is yet to be finalized. “Our interest in the Iran LNG project lies on the table,” it said.

Dietrich Gerstein, head of E.ON’s LNG purchasing unit, said E.ON was interested in natural gas from Iran.

The last round of negotiations on peace pipeline between Iranian and Pakistani delegations ended here last night.

The two sides finalized the details of the gas contract.

Iran and Pakistan discussed all articles of the contract in different expert-level sessions in Islamabad and Tehran.

Chairman and Chief Executive of Austrian Oil and Gas Group (OMV AG) Wolfgang Ruttenstrofer said talks were underway on a project on transfer of liquid gas from Iran to Austria.

The Austrian daily *Überstreichen Nachrichten* quoted Ruttenstrofer as saying that Iranian gas fields were the biggest in the world and his company would undertake a part of an exploration project on which it was highly skilled.

A \$30 billion contract was signed between OMV AG and National Iranian Oil Company for transfer of liquid gas from Iran to Austria.

Iranian Offshore Oil Company (IOOC) managing director said Oman had offered its initial proposal on imports of Iran’s gas and would submit its final proposal next month.

Mahmud Zirakchianzadeh talking to PIN expressed hope Tehran-Muscat negotiations would bear fruit by March 2008 and added, “Following good Iran-Oman cooperation and oil ministers’ recent meeting on the sidelines of the 14th meeting of OPEC, the two sides

underlined the investment in, development of, and transfer of gas from Kish field.”

He added Oman would help derive two billion cubic meters of gas from Kish field per day, out of which one billion cubic meters would be exported to Oman and one billion would be used inside the country.

Oman had already suggested a two-billion-dollar investment in the development plan of Kish gas field, Zirakchianzadeh said.

He added that the suggestion included the establishment of a joint investment company and gas exports to the neighboring country.

The IOOC head said oil ministers of the two states had also underlined the necessity to develop the jointly-owned Hengam field.

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