

# Iran to develop Caspian Sea oil reserves with India, China

Tehran looking East for financing energy projects

By [Global Research](#)

Global Research, September 11, 2008

Xinhua 23 August 2008

Region: [Middle East & North Africa](#)

Theme: [Global Economy](#), [Oil and Energy](#)

In-depth Report: [IRAN: THE NEXT WAR?](#)

Iran is in talks with India's Oil and Natural Gas Commission (ONGC) and China's offshore oil corporation for the development of oil reserves in the South Caspian Sea region, the Press TV satellite channel reported Saturday.

The report quoted the National Iranian Oil Company (NIOC) deputy director Hojatollah Ghanimifard as saying that NIOC has been discussing the issue with India's ONGC Videsh, the overseas arm of the ONGC, and China's state-run China National Offshore Oil Corporation (CNOOC).

NIOC is reviewing proposals to make the terms of the current contracts more attractive to international oil companies by offering them production-sharing contracts for the first time, the report said.

Under such contracts the developer is entitled to a share of production, which allows them to recoup their investment costs and make improved profits.

Over the past 20 years, the NIOC has mainly offered pay-back contracts to developers under which the investors receive a pre-agreed remuneration rate for their investment. The rate is typically determined by the global price of energy and the field hitting targets, and is paid over a 25-year period.

Some developers have voiced concerns over pay-back contracts, saying the contracts have serious market risks to developers as their profits depend on the fluctuating global price of energy.

'We think this region might be the exception to the rule,' Ghanimifard said. 'Since it is deep water, it looks like the production cost per barrel would be much more than in other regions like the south, or the Persian Gulf.'

The Brazilian state-run oil company Petrobras is currently drilling three wells in the Caspian Sea.

The original source of this article is Xinhua  
Copyright © [Global Research](#), Xinhua, 2008

## [Comment on Global Research Articles on our Facebook page](#)

## [Become a Member of Global Research](#)

Articles by: [Global Research](#)

**Disclaimer:** The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)

[www.globalresearch.ca](http://www.globalresearch.ca) contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)