
IRAQ OFFERS NINE OIL AND GAS BLOCKS FOR EXPLORATION NEAR IRAN, KUWAIT BORDERS

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Iraq will invite foreign energy firms to bid for the exploration and development of nine new oil and gas blocks bordering Iran and Kuwait, the oil ministry said in a statement on Sunday.

Iraq is to hold a press conference on Monday to announce details of the exploration blocks which are located in the south and east of the country and include one offshore block in the territorial waters, according to the statement.

The ministry is targeting to boost both production and reserves of oil and gas in cooperation with international companies, said the ministry statement.

Iraq has raised output rapidly in recent years with the help of foreign oil companies to become OPECs second-largest producer behind Saudi Arabia.

The blocks on offer are located in the provinces of Basra, Misan, Muthanna, Wasit and the Central Diyala province.

The contracts will be different from previous service contracts Iraq signed with foreign firms to develop the countrys giant southern fields, said the statement.

Under the service contracts used for Baghdads post-2003 bidding rounds, including those for its southern fields like Rumaila, West Qurna and Majnoon, the ministry pays companies a fixed dollar-denominated fee for every barrel of oil produced.

While the model worked well for Baghdad when oil prices were high, the slump in prices left

Baghdad paying the same fees to firms like BP, Exxon, Lukoil and Shell at a time when revenue from oil sales was significantly lower.

Kaynak/Source: