

# Final Version of New-Style Iran Oil Contracts Prepared



TEHRAN (Tasnim) – The ultimate version of a new format of Iran's oil contracts, known as Iran Petroleum Contract (IPC), has been prepared in compliance with the cabinet's measure and will be used for putting development of a major oil field out to

tender in spring.

The final version complies with the conditions set by President Hassan Rouhani's cabinet for new contracts with the foreign contractors.

Iran's Azadegan oil field will be reportedly the first field to be put

out to tender using IPC in spring 2017.

The first contract under IPC will include development of both South and North Azadegan fields as an integrated project.

It is believed that a foreign oil giant will be assigned the task of managing the project, which requires around \$1 billion in financing, while an Iranian company would be picked as a partner in the consortium.

The new oil and investment contract for international firms is planned to replace Iran's buyback oil deals.

Iran has been working on the oil contract model for the past two years. The country hopes to draw as much as \$50 billion a year from major oil companies such as Italy's Eni SpA and France's Total to develop its oil and gas fields.

## South Korea's Imports of Iranian Oil Up 54%

TEHRAN (Dispatches) - The latest official figures show that South Korea's imports of oil from Iran rose by about 54 percent in February from a year ago.

South Korea's customs data show that the country in February imported 1.63 million metric tons (MMt) of Iranian crude, or 427,800 barrels per day (bpd).

The figure was significantly higher from 1.06 MMt a year ago and 1.79 MMt the previous month, media reported.

Figures also showed that the world's fifth-largest crude importer shipped in 3.43 MMt of Iranian

crude, or 425,878 bpd, in the first two months of 2017. This was up 78.2 percent from the 1.92 MMt imported during the same period a year ago.

Meanwhile, South Korea's imports of oil from Saudi Arabia fell 3.1 percent to 3.61 MMt, or 944,793 bpd, last month from a year ago, Reuters added.

The rise in Iran's oil sales to South Korea came as the member countries of the Organization of the Petroleum Exporting Countries (OPEC) started to implement a plan to curb production by about 1.2 million bpd from the start of

January.

The plan was devised to boost prices and remove a supply glut. Iran, Libya and Nigeria were, however, granted exemptions from the deal.

South Korea imported 11.85 MMt of crude oil in February this year, or 3.1 MMbpd, down 8.3 percent from 12.92 MMt a year ago, according to the customs data.

The country shipped in 24.3 MMt of crude in the January-February period, or 3.01 MMbpd, up 1.9 percent from nearly 23.8 MMt a year earlier, Reuters added.

## New Zealand to Export 'Safe' Sheepmeat to Iran Soon: Minister

TEHRAN (Tasnim) – New Zealand's Primary Industries Minister Nathan Guy has said New Zealand meat exporters will deliver "safe" sheepmeat to Iran in the near future.

New Zealand meat exporters could be landing sheepmeat into Iran later this year as efforts are made to revive a trade which was at its height during the boom years of the 1980s, he said.

"Iran was a very important mar-

ket for New Zealand in the 1980s. We were selling a quarter of our sheepmeat there before red tape and bureaucracy put a halt to the trade in the 1990s," Guy told a seminar of the Central Districts Field Days in Feilding on Thursday, NZFarmer website reported.

He added, "Kebabs are part of the staple diet and they want food that is safe from countries like New Zealand".

The official recently returned

from a visit to Iran where he had signed a veterinary agreement that would pave the way for exports.

During his visit, the minister held talks with Iranian Agriculture Minister Mahmoud Hojjati and inked a memorandum of understanding (MoU) with the Islamic Republic paving the way for resumption of meat exports to the second-biggest economy in the Middle East and North Africa region.

## Russian Companies Retreat From London Stock Market

LONDON (Financial Times) - Russian companies are in retreat from London's stock market, stung by lacklustre valuations and investors wary of geographical risk and poor corporate governance.

A London listing was seen as a mark of pride for many Russian corporations over the past decade, with 46 flotations and \$69.4bn raised since 2005, according to data from Dealogic. However, no new Russian companies have entered the London Stock Exchange since 2014 and just two have premium listings in the FTSE 250. PIK, the country's largest house builder, this week announced it would delist from the LSE, the second Russian company to leave so far this year and the sixth in the past 18 months. Seven years ago, with commodity prices high and western relations with Moscow warmer, a London listing was all the rage for Russian corporates keen to promote themselves as significant global operators and executives hungry to tap the City's capital. But a crash in oil prices and a recession at home has hurt valuations, sanctions against Moscow have undermined sentiment and many com-

panies have struggled to shake off reputational worries and convince investors of their credibility. Because of their history and the fact that many are focused on the energy, mining or commodity sectors, many of the large companies from Russia, Kazakhstan and other former Soviet Union territories are typically controlled by oligarchs or families sometimes reluctant to cede control to shareholders, and have relationships with governments that institutional investors are not accustomed to. "The main reasons are not political, but company-specific issues. A London premium listing has its own rules, both formal and informal, and... represents a significant commitment from the company," said Vitaly Nesis, chief executive of Polymetal, a Russia-focused gold and silver miner that has bucked the trend as compatriots have abandoned listings. "Investor relations, corporate governance, the need to obey sustainable development rules — for many companies, not just Russian, these are too significant, or they do not see the long-term value of the investment required," Mr Nesis told the Financial Times.

## Traders Say Iran Business Returning To Normal

TEHRAN (Dispatches) - Serious signs have appeared showing that doing business with Iran may have already started to return to normal a year after the removal of sanctions that had complicated commerce with the country since 2011.

Iran's state grains buyer GTC purchased about 40,000 tons of rice from Thailand in an international tender this week, a deal which traders believe shows Iran's purchasing is returning to more normal patterns after sanctions were lifted.

Traders said Iran has in past years largely purchased rice through lengthy direct nego-

tiations as western sanctions imposed over the country's disputed nuclear program had curtailed international payments via banks.

"I think this sale in a tender shows Iran is starting to return to more traditional purchasing patterns after the relaxation of western sanctions," one European trader said on Friday. "The sale was made by a U.S. multinational trading house."

Iran bought Hom Mali grade A rice from Thailand at about 600 euros (\$645.54) a ton, they said. Prices had been sought in euros in the tender.

The tender had closed on March 14.

The rice was for shipment between April 15 to May 15 to Bandar Imam Khomeini or Bandar Abbas ports.

No purchase was believed to have been made of 30,000 tons of rice from Argentina and 10,000 tons from India which were also sought, traders said.

Thailand plans to sell 300,000 tons of rice to Iran following the relaxation of international sanctions, Thai officials said.

Most sanctions imposed on Iran over its disputed nuclear program were lifted in 2016, in exchange for Iran curbing its nuclear work under a deal with six major powers in 2015..

## Iran Using Gas Injections to Boost Oil Output

TEHRAN (Press TV) - Speculations are emerging in media that Iran is injecting huge amounts of natural gas into its aging oil fields to boost its production of crude oil.

Bloomberg in a report emphasized that Iran's motivation for producing more gas was to re-inject it underground into crude oil reservoirs.

The report added that the entire output from one phase of the country's South Pars gas field went into Iranian oil fields, but did not specify which phase and which fields were involved.

It emphasized that Iran's shared oil fields with Iraq were currently the primary targets for injections.

Bloomberg further wrote that injecting gas into oil fields had a central role in Iran's plans to increase its oil production.

The country required 93 billion cubic meters of gas for re-injection in 2014 but could only allocate 32 billion, it quoted figures by Cedigaz, an industry research



Platforms of Iran's Soroush oil field in the Persian Gulf.

group.

"Gas used for oil production, together with domestic consumption of the fuel, is sapping volumes available for export," Bloomberg added.

The report emphasized that almost half of Iran's current production of natural gas was consumed by the urban sector. It added that some 21 percent were used for production of electricity and 18 percent for industrial use, including production of petro-

chemicals.

These, Bloomberg added, showed that Iran would still prefer to consume most of its gas until at least 2024.

Additional development phases at South Pars would give Iran more room for exports in the future, it emphasized.

Nevertheless, the country's motivation for producing more gas at the current juncture would be to re-inject it underground into crude reservoirs, it added.

## FAO to Help Resolve Iran's Water Crisis

TEHRAN (MNA) – Deputy Minister for Agriculture Alimorad Akbari has reported on cooperation between Food and Agriculture Organization (FAO) and Iran to alleviate existing water crisis.

On cooperation between Iran and FAO to address water crisis as well as to implement the international body's 'Regional Water Scarcity Initiative', the Iranian official said "in the same line, a meeting was held with FAO officials two weeks earlier and currently protocols are being exchanged and contracts are being inked to tackle the ongoing water crisis with regional efforts and support."

"Another session was also held recently with Daniel Calleja Crespo, Directorate-General for Environment is the European Commission department responsible for EU policy on the environment," said Akbari adding "during the meeting, we made the proposal that Iran be selected as pilot of region in FAO's initiative and receive grants given that infrastructure projects are being conducted in one million hectares of Iranian fields."

In response to a question whether MoUs have been signed or any serious action has been taken, deputy Iranian agriculture minister said "relevant negotiations have been held and a working group has been formed in a bid to seek appropriate approached to become operational."

## Italy Calls for Broadening of Economic Ties with Iran

TEHRAN (Fars) - Italy's Associazione Piccole E Medie Industrie Di Lecco (Apilecco) on Friday voiced willingness to broaden economic and trade relations with Iran.

"Iranian society is stable and democratic, lying on a tranquil bed in a complicated geographic region; Iran is rich in natural resources with developed infrastructural structures," Apilecco said. Apilecco called Iran's economy as one of the world's top 20 economies and the one serving as a big commercial opportunity for Italy.