

Total to Ink \$4bn Iran Gas Deal By Summer

TEHRAN (Dispatches) - Iran will sign a \$4 billion deal with France's Total to develop phase 11 of the giant South Pars gas field before summer, Minister of Petroleum Bijan Zangeneh says.

Zangeneh and Total Chief Executive Patrick Pouyanne met in Vienna on the sidelines of the OPEC meeting on Friday night and discussed the deal, Fars news agency reported on Saturday.

"The signing of the contract with Total is very close and will be done in less than a month," Zangeneh told reporters.

Total signed a heads of agreement with the National Iranian Oil Company (NIOC) in November 2016 but said earlier in February that a final decision on the deal hinged on the new U.S. administration renewing sanctions waivers on Iran.

Pouyanne told journalists on the sidelines of the Vienna meeting that the signing of the waivers had cleared the path for the deal to be concluded.

Zangeneh said a major European bank will provide guarantees, but did not disclose its name. He also said foreign countries have reached a consensus on Iran's new oil contract called IPC.

Other Iranian officials have already said that they expected the first contract under the new formula to be signed soon, marking a turning point in months of anticipation as the country reopens its oil and gas sector to business.

Zangeneh said some companies had worries about the new contract but



CEO of the French energy giant Total Patrick Pouyanné underlined that his company is planning to conclude a gas deal with Iran's South Pars zone.

those concerns have been removed now.

Iran has named 29 international firms as being eligible to bid for oil and gas projects but they have been waiting for the country to finalize the new model, known as the Iran Petroleum Contract (IPC).

The new model has been the subject to repeated reviews amid fears that it might compromise Iran's national interests at the expense of making business with the country more flexible.

Total became the first Western oil major to sign an energy agreement after the European Union and the United States eased sanctions as part of a

clear accord with the Islamic Republic.

The South Pars 11 project will have a production capacity of 1.8 billion cubic feet per day, or 370 000 barrels of oil equivalent per day. The produced gas will be fed into Iran's gas network.

Total will operate the project with a 50.1% interest alongside Petropars at 19.9% and the Chinese state-owned oil and gas company CNPC at 30%.

The French oil major also plans to invest in the South Azadegan oil field. Zangeneh said the tender for development of Azadegan oil field will be implemented soon, for both the southern and northern sections.

Iran Giving Turkey Free Gas for Past Debts: Minister

TEHRAN (Tasnim) - Iran's Oil Minister Bijan Namdar Zanganeh said the country is currently not receiving any money from Turkey for the export of gas, because Tehran has to clear its debts under an International Court of Arbitration ruling on a dispute over gas pricing.

Zanganeh told reporters on Saturday that Iran is currently not receiving any money for export-

ing gas to Turkey, because a court ruling has forced Tehran to give Ankara a partial refund following a lengthy legal dispute.

Turkey had called for a 62.5 percent decrease in the price of gas it imported from Iran five years ago, but the International Court of Arbitration ruled that the price reduction should stand at 13 percent, the minister added.

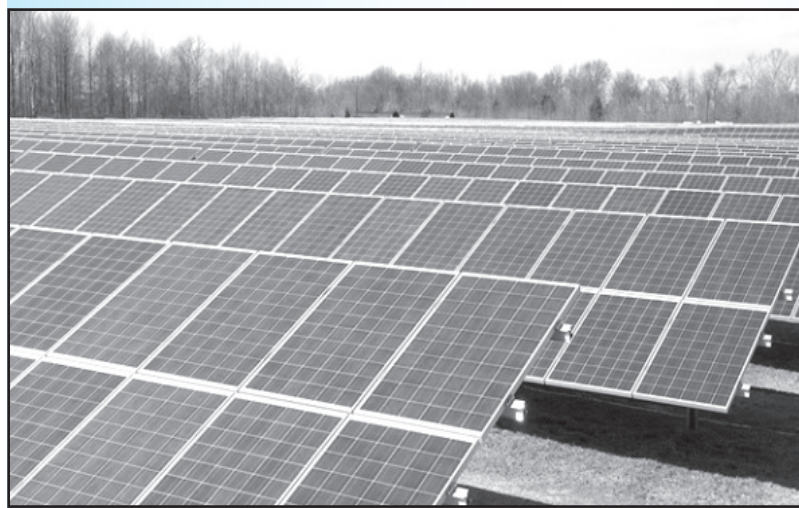
Zanganeh explained that Iran

fell into debt under the court ruling and, thus, is not currently being paid by Turkey for gas.

Turkey had brought a case to the International Court of Arbitration against Iran in 2012, claiming that the gas price was too high.

Iran is Turkey's second supplier of gas after Russia, providing for one-fifth of the country's consumption. Azerbaijan is another supplier.

Solar Outshines Nuclear as Spring Sun Boosts UK Output



LONDON (Financial Times) - Solar power has been accounted for almost a quarter of electricity generated in the UK at lunchtime — a record that exceeded the combined output of the country's eight nuclear power stations.

An almost cloudless late spring day across Britain sent solar output soaring to 8.7 gigawatts, or 24.3 per cent of overall electricity generation, compared with about 23 per cent from nuclear power.

The new peak highlighted the surge in solar installations in the UK — especially sunnier southern regions — aided by government subsidies and an 80 per cent fall in the price of solar panels since 2009.

When wind, biomass and hydro were added, almost 40 per cent of UK electricity came from renewables at Friday's peak, exceeding the 30 per cent from gas and just 1.4 per cent from coal.

Soaring amounts of renewable energy are advancing UK efforts to tackle climate change — carbon dioxide emissions fell by almost 6 per cent last year — and increasing competition for conventional power generators.

As solar power flooded the system on Friday, wholesale electricity prices for the day ahead traded at about £38 per megawatt hour, compared with about £50 p/mwh in spring 2013 before fossil fuel prices went into sharp decline.

Increasing supplies of cheap solar power are intensifying debate over the future of UK energy policy as work proceeds on the Hinkley Point C nuclear power station in Somerset — Britain's first new nuclear plant since the 1990s — which has been promised a guaranteed price of £92.50 p/mwh, rising with inflation for 35 years. Friday's peak solar output was almost three times greater than the planned 3.2GW generating capacity of Hinkley.

Duncan Hawthorne, chief executive of Horizon, a Japanese-owned company planning to build another new nuclear plant in Wales, told a Financial Times energy conference this week that the UK would still need nuclear power to provide reliable base load electricity when wind and solar is unavailable.

"If you do not want to replace existing nuclear, then you will have to fill in the gap and I guarantee it will not be solar and it will not be wind," he said. "They can do part of it but not all of it."

Critics of nuclear power claim that increasing renewable output coupled with advances in battery storage can account for much of the coal and old nuclear generating capacity due to be decommissioned in coming years.

European Firms Ink Air Logistics Deal With Iran

TEHRAN (Dispatches) - Iran has signed an agreement with Swiss and Dutch companies to design, develop and construct its first freight logistics center at Imam Khomeini International Airport (IKIA).

IKIA signed the agreement with Swiss-based ADI Consulting GmbH and the Netherlands Airport Consultant Company (NACO) in Tehran on Saturday, vice president for investment and economic affairs of the airport Hossein Tajik said.

"Logistics development actually means the country's development and is an essential element for this purpose," he said.

Tajik touched on the significance of logistics, saying transporting 100,000 tonnes of cargo at the airport would create added value equal to that generated from about a million passengers for the country.

"On the other hand, we are in an area that has a market value of about 400 million people around the country," he said, adding Iran has failed to make use of this advantage both due to internal and external factors.

Jean Godart of ADI Consulting said the project is focused on logistics which is "a way to success", saying it could mark a big step for Iran.

ADI Consulting GmbH was established in Switzerland in 1999 to manage cargo capacity in the airfreight sector. Since then, the company has expanded into other logistics areas such as consulting in logistics business building, in-



An official says transporting 100,000 tons of cargo could create added value from about a million passengers for Iran.

frastructure development and management.

The deal came after officials said earlier this month that Iran had canceled a preliminary agreement with the French industrial group Bouygues to expand IKIA.

The company had signed a memorandum of understanding (MoU) in January 2016 to build and operate a terminal at IKIA to handle 20 million passengers a year.

Managing Director of IKIA Airport City Company Mahmoud Navidi said Bouygues had failed to fulfill its commitments under the agreement.

IKIA, about 40 kilometers southwest of the Iranian capital, currently handles 6 million air travelers.

After the cancellation of Bouygues' agreement, Iran put out calls for investment in the terminal which received a warm welcome from Iranian and foreign companies.

"Currently, 50 domestic and foreign companies have announced readiness to invest in the Iranshahr terminal in the

form of BLT (build, lease and transfer)," Navidi said.

The idea to build IKIA was conceived before the Islamic Revolution in 1979, with original designs prepared by a U.S. consortium in order to make it a regional air travel hub but the airport was inaugurated only in May 2004.

In December 2015, Iran awarded the development of a town in the vicinity of IKIA to NACO which undertook to provide consulting services for the development of Phase 1 of IKIA Airport Town for a period of five years.

France's AccorHotels opened Novotel and Ibis near IKIA in September 2016 with the participation of business leaders and representatives of 150 aviation companies such as Airbus, Bombardier and Embraer.

French-based Airbus also struck a \$19 billion sale deal last year to give 100 commercial aircraft to Iran. The multinational European company has already delivered three planes.

G7 Makes 'Substantial Progress' on Trade Talks



The Group of Seven nations have made progress in negotiations on trade, notably on the issue of multilateralism

TAORMINA, Italy (Reuters) - The Group of Seven nations have made progress in negotiations on trade, notably on the issue of multilateralism, a French presidential source said on Saturday, suggesting there has been some

softening in the United States' protectionist stance.

The leaders have been wrangling on the wording of a final communique since Friday with international trade and climate change the main stumbling

blocks.

"The discussions on trade are making substantial progress, notably on the issue of multilateralism," a French presidential source said.

Since taking office, U.S. President Donald Trump, has derided some of the same international partnerships, including the World Trade Organization, raising the prospect that the Republican's "America First" agenda might well mean an America more willing to act alone.

A senior White House official on Friday said Trump had told the leaders of Germany, France, Italy, Japan, Canada and Britain that the United States would treat other countries in the same way it was treated.