

Iran Plans to Raise \$7bn for Oil Projects



An aerial view of the production platforms of Iran's Soroush oil field in the Persian Gulf. (Photo by Shana)

TEHRAN (Press TV) - Iran says a plan is on agenda to attract funds from domestic re-sources to maintain production at the country's key oil fields.

The plan would envisage attracting as much as Rials 300 trillion (around \$ 7 billion with each dollar at the official rate of around Rials 42,000) through the Iran Energy Exchange (IRENEX), the media in Tehran reported.

IRENEX Managing Director Ali Hosseini told IRNA news agency that the funds thus attracted would be used to support maintenance as well as production projects at 29 oil fields across the country.

Hosseini emphasized that the grounds were already prepared to use domestic re-sources for oil projects through mechanisms such as "project funds" and "Sukuk" or Islamic bonds.

He added that a special portfolio of investment tools needed to be devised to the same effect, stressing that such a portfolio specifically needed to include foreign investments, domestic investments and IRENEX resources.

The variety of investment tools, the official said, would lower the risks in projects.

Elsewhere in his remarks, Hosseini

added that an earlier plan to attract domestic funds for oil projects envisaged attracting equal to \$10 billion. However, the official said, the recent fluctuations in Iran's currency market had led to a change in targets.

Earlier, Iran's Oil Minister Bijan Zanganeh had said that the plan to use domestic re-sources to fund oil projects would help increase Iran's production at target fields by a collective volume of 460 million tons in three years.

IRNA further wrote that Ali Kardor, the managing director of the National Iranian Oil Company (NIOC), had announced that the country's first ever 'project fund' to provide the resources required for maintaining and increasing oil production had been created.

Kardor had added that projects worth a total of above \$6.3 billion had been defined to the same effect which he said would be supported by means of the same 'project fund'.

He had also said that certain investment blocs had been devised for the fund which he said would be sold to the public based on each dollar at the official rate of Rials 42,000.

Kardor added that the profits for the investments would be calculated based on the current price of the dollar.

Kish Gas Field Development, NIOC Top Priority

TEHRAN (Dispatches) - National Iranian Oil Company (NIOC) officials have stressed their priority to exploit the Kish gas field, which is estimated to hold gas equal to the amount in five phases of the giant offshore South Pars Gas Field.

According to 'Iran Petroleum', the rate of recovery from this sweet gas field is said to be 75 percent, which makes it favorable for investors. Given the facility to process gas from the field for domestic consumption or exports, the field has been prioritized for development by Iranian officials.

Therefore, Iran intends to develop this field at the earliest in three phases and raise its output to 5 bcf/d.

The location of this field in the coral and tourism Kish Island has largely affected its development.

Exploration and drilling of wells at this giant gas field, which is acknowledged as the second largest gas field in the Persian Gulf, are underway with minimum damage to the environment, while onshore field development is often harmful to the environment.

'Cluster A' wells, located near the

airport on this island, and 'Cluster B' wells will be drilled to use minimum space possible and cause the least change to the island's topography.

The refining facilities in this gas field have been relocated to Gorzeh Port instead of Kish Island to prevent air pollution.

The gas is transferred to Gorzeh Port via pipeline for sweetening before being sent back to Kish Island.

CEO of Petroleum Engineering and Development Company (PEDEC) Nouroddin Shahnazadeh [has] recently said the Phase 1 development project of Kish gas field would become operational in the near future; however, there is speculation that the Kish development project would be delayed.

Kish gas field is planned to undergo development after technical obstacles have been removed and necessary equipment has been supplied.

Currently, all projects related to Phase 1, except for the processing unit, have been activated and the drilling of 13 onshore wells is underway.

Onshore installations and the offshore

pipeline are being completed and the agreement to establish the power plant has been signed with a domestic company.

The required equipment for the power plant is being supplied.

Kish gas field is estimated to contain 38.3 tcf of gas plus 398 million barrels of condensate. An option is being studied to gather and transfer gas to Aftab Port where the refinery is located.

Therefore, the gas will be piped to the Aftab Port refinery for desulfurizing and feed-ing into national network for consumption.

Phase 1 development of Kish gas field is expected to produce 1 bcf/d of gas to be consumed domestically, and 11,300 bpd of condensate for exports.

Onshore wells will be 85 percent complete soon, while the subsea pipeline has progressed 83 percent.

Studies indicate that up to 5 bcf/d of gas can be recovered from Kish gas field.

Based on maximum gas price in the region, Kish is estimated to be valued at \$250 billion. Measured on global scale, Kish is valued at \$500 billion.

Iranian Women Front-Runners in Handicrafts Industry



TEHRAN (IFP News) - Iranian women involved in the handicrafts industry preserve traditional arts while making a living from the traditional activity.

Making handicrafts is a globally

recognized cultural activity and regarded as a skill which can contribute to economic development as well.

Many women are working in the field of handicrafts, but the progress

made in this domain is minimal and the art has little impact on countries' economies. The reason is that people active in the handicrafts domain do not have the right place or appropriate infrastructure to market their products.

There are many women in Iran who make handicrafts in their homes, preserving this traditional art and at the same time earning a living. Women living in Iran's desert areas produce different types of rugs (rug-weaving is a key handicraft skill of Kerman province), helping preserve this traditional art.

Last year, the Shirikipich rug woven in the town of Sirjan in Kerman province was registered at the World Handicrafts Council. The global registration of this art came about thanks to the efforts by local women.

Brazilian Firms to Help Iran Overcome Sanctions

TEHRAN (Dispatches) - Brazil's ambassador to Tehran Rodrigo de Azeredo Santos on Sunday underlined his country and Brazilian companies' eagerness to trade with Iran amid the U.S. threats of sanctions after withdrawal from the 2015 nuclear deal.

"There are lots of Brazilian companies who engage in business with the U.S., so maybe they will have problems if they come to Iran, but there are many other companies that do not have any exposure to the U.S., and you can do a lot of business with them," Azeredo said in an interview with Iran's domestic media.

"So, I believe we have a good room to go ahead in all fields that I told you earlier, like oil and gas, engineering services, medical equipment, food and agriculture industries. Well, food and agriculture products were never under sanctions because of humanitarian concerns. So,



Brazil's Ambassador to Tehran Rodrigo de Azeredo Santos

I believe our cooperation in agriculture field will continue," he added.

"We will follow up...We are also working on some financial mechanisms to facilitate our transactions. So, that is the job that we want to do...I am still optimistic about the level of economic cooperation that we can

have with Iran," Azeredo said.

U.S. President Donald Trump announced on May 8 that the U.S. would no longer re-main part of the JCPOA and promised to re-impose the highest level of economic sanctions against Iran in response to Tehran's development of its nuclear program.

Armenia to Get More Iranian Gas



TEHRAN (Dispatches) - Chief executive of the National Iranian Gas Company (NIGC) Hamid-Reza Araghi on Sunday said that Iran's gas export volume to Armenia will increase in the current year.

"Iran and Armenia have inked a barter gas and electricity contract in 2004, he said, adding, "Under the deal, it was stipulated that one million cubic meters of gas will be exported to Armenia daily."

Turning to the increase of Iran's gas exports volume to Armenia, he said, "Earlier, a contract for exporting Iran's gas to Armenia was signed with the aim of bartering gas and electricity, based on which, Armenia

pledged to deliver three KW/hour electricity to Iran in exchange for each cubic meter delivery of gas from Iran."

He went on, under the deal, it was agreed that Iran's gas export volume to Armenia and also dispatch of electricity from Armenia to Iran should be increased as of 2018, he maintained.

Given the above issue, Iran's export of gas to Armenia will increase from one million cubic meter to 1.6 million cubic meter daily.

Armenia recently has signed a memorandum of understanding (MoU) to increase gas imports from Iran

Germany Scraps Plans to Send High Speed Trains to UK by 2020

BERLIN (Dispatches) - Despite early preparations, the expansion of the German state railway company, due around 2020, has reportedly been derailed by "significant changes" in the economic environment.

However, when commenting on the issue, the firm has avoided mentioning the B-word as having been among the reasons.

Germany's public railway, Deutsche Bahn (DB), has cancelled plans for new high speed routes which would have connected London with two major German cities, Cologne and Frankfurt, according to the Independent.

Although company obtained the certificate to operate in the Channel Tunnel in 2013 and earlier presented Germany's high speed Inter City Express (ICE) trains to Londoners, the proposed direct international service has been crossed off DB's agenda for "the foreseeable future," as the company's spokesperson told the media. DB representative specifically refused to "comment on political developments like Brexit," pointing at other grounds for the decision.

Egypt's Suez Canal Reports Record High \$5.585bn Annual Revenue

CAIRO (Reuters) - Egypt's revenue from the Suez Canal for the 2017-2018 financial year rose 11.5 percent to a record high \$5.585 billion (4.20 billion pounds), the canal authority said in a statement on its website on Sunday. Revenue a year earlier was \$5.008

billion, it said.

The financial year has not yet finished, however. Egypt's fiscal year runs from July 1 to the end of June.

The canal authority did not explain why it had released figures ahead of

the end of the fiscal year.

It announced increased revenue in May, and predicted a record yearly figure, attributing this to increased international trade and improvements in the shipping industry.

India, China Look to Form 'Oil Buyers Club'

MOSCOW (Dispatches) - India and China have discussed creating an 'oil buyers' club' to be able to negotiate better prices with oil exporting countries.

They will be looking to import more U.S. crude oil in order to reduce OPEC's sway, both over the global oil market and over prices, India's Petroleum Ministry has said.

"With oil producers' cartel OPEC playing havoc with prices, India discussed with Chi-na the possibility of forming an 'oil buyers club' that can negotiate better terms with sellers as well as getting more U.S. crude oil to cut dominance of the oil block," a tweet from the Petroleum Ministry's Twitter account reads. India has been saying for months

that oil prices have risen too much to be sustainable for many oil-importing countries.

Last month, as Brent Crude prices briefly broke above \$80 a barrel—the highest since late 2014—gasoline and diesel prices in India surged to a five-year-high, also due to a weakening rupee against the U.S. dollar.