

NIOC Plans Suffered from Lack of Funds



nly \$ 1.925 Bln (about 8.5%) from the initially approved \$ 22.607 Bln credit was allocated for the completion of 25 development projects of National Iranian Oil Co. (NIOC) until the end of last Iranian year (Mar.2010).

According to the Fars News Agency, the delay of credit allocation for NIOC plans occurs while it has been recently approved that Energy Fund and Saderat Bank Iran to put aside \$18 Bln to the said oil& gas projects for the current Iranian year.

The following are the details of the said 25 plans, the relevant project managers, the total credit approved for the plans, as well as the allocated figure in the above said period as reported by the Fars News Agency:

- Pars Oil & Gas Co. (POGC)

\$ 9.5 Bln had been considered to be allocated-as below-to POGC for the following projects:

1. \$ 450 Mln credit for five projects to construct South Pars centralized power plant (combined-cycles), while \$10 Mln of which has only been allocated,
2. \$ 6.529 Bln credit for developing South Pars phases 20 and 21, with no credit allocated at all,
3. \$ 507 Mln credit for provision of 4 offshore drilling rigs, while \$86 Mln has been only allocated,
4. \$ 216 Mln credit for developing South Pars oil layer, with no credit allocated at all,
5. \$ 963 Mln credit for gas sweetening project of South Pars phases 6, 7 & 8, while \$ 119 Mln has been only allocated.



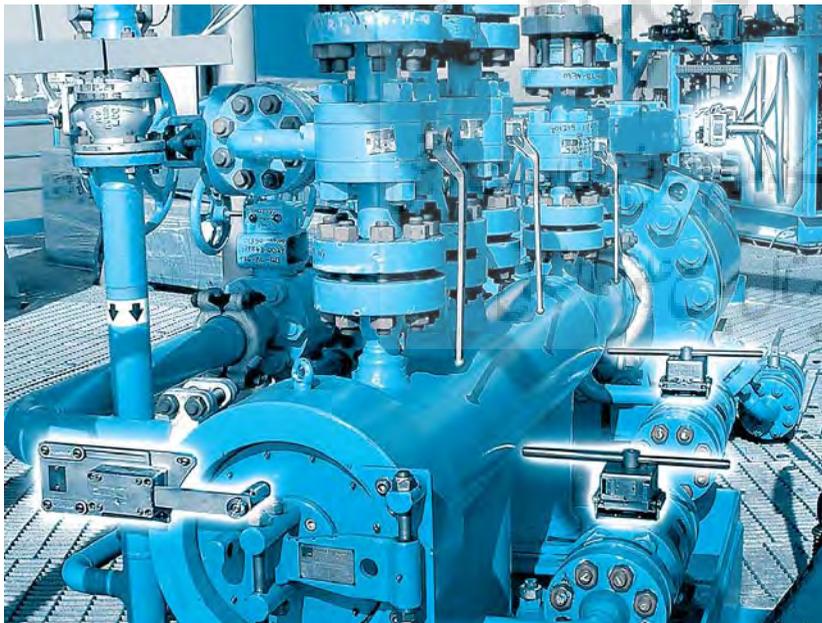
- National Iranian South Oil Co. (NISOC)

10% of the approved credit had been allocated-as below-to NISOC for the following projects:

1. \$ 1.291 Bln approved credit and allocation of only \$ 108 Mln for the development of gas layers of NISOC oil fields and construction of NGL plants,
2. \$ 265 Mln approved credit and allocation of only \$ 125 Mln for the construction and expansion of production/desalting units,
3. \$ 1.180 Bln approved credit for upgrading surface facilities of Aghajari oilfield (POSFR Plan), with no credit allocated at all,
4. \$ 450 Mln approved credit and allocation of only \$ 10 Mln for supplying feed for 'Bid Boland II' gas refinery,
5. \$ 425 Mln approved credit and allocation of only \$ 116 Mln for provision of 17 onshore drilling rigs.

- Petroleum Engineering and Development Co. (PEDEC)

According to the Fars, from the total approved \$178,



\$1493 and \$244 Mln credits for development projects of Band-e-Krakkeh, Azar and Changouleh oilfields to PEDEC- as the project manager- only \$ 19, \$49 and \$14 Mln were

allocated to each of the projects respectively.

- Iranian Central Oil Fields Co. (ICOFC)

Only \$ 250 Mln of credit- from the total \$2.275 Bln approved one- had been allocated-as below-to ICOFC for the following six projects:

1. \$ 307 Mln for developing Dey, Sefid Zakhor gas field,
2. \$ 833 Mln for developing South Gashoy gas field and construction of its gas refinery,
3. \$ 300 Mln for developing Cheshmeh Khosh oilfield,
4. \$ 300 Mln for Shourijeh natural gas underground storage project,
5. \$ 355 Mln for developing West Paydar shared oilfield,
6. \$180 Mln for developing East Asalouyeh, Soumar and Aban oilfields.

This is while by Mar. 2010, only 49, 83, 30, 30, 19 and \$ 40 Mln were respectively allocated to the said projects.

- Iranian Offshore oil Co. (IOOC)

As the report reads, \$ 1.617 Mln, \$436 Mln, \$ 1.07 Bln and \$ 1.810 Bln had been respectively approved to be allocated to develop Reshadat oilfield, Hengam shared oil/gas field, Forouzan oilfield (upgrading production platform) and associated gas gathering project of Kharg and Bahregan regions (Kharg NGL plan); however, the allocated funds for each of the projects were only \$94 Mln, \$ 324 Mln, \$ 127 Mln and \$ 303 Mln in the said period.

- Arvandan Oil & Gas Co.

Having been the project manager for development of Arvand oilfield, this company has received only \$9 Mln of the initially approved \$ 60 Mln credit for the project. ■