

# Oil Development Company

## Kuwait Project

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### **Kuwait moving towards northern oilfields okay**

KUWAIT: Years of wrangling over foreign access to Kuwait's oil wealth should come to an end in January with the passage of a new law that will fire the starting gun on an international contest to help manage four fields. The next step in a debate that stretches back to 1998 will take place tomorrow when the \$8.5bn scheme known as Project Kuwait is aired in parliament. But the crucial stage starts on January 16 when the parliament will discuss a finance committee report and the draft law that would pave the way for multinational investment and expertise.

The aim is to boost production by around 300,000 barrels per day (bpd) to at least 900,000 bpd. "As a minister, I believe it will pass," Kuwaiti Oil Minister Sheikh Ahmad Al-Fahd Al-Sabah told reporters yesterday. "It will go through in January and Project Kuwait will be on the fast track," a senior Kuwaiti oil executive told Reuters. "A lot of the groundwork has already been done." Three consortia led by BP, Chevron and ExxonMobil are competing for the contract to develop further the four oilfields in northern Kuwait of Rawdhatain, Ratqa, Abdali and Sabriyah. The investment contract would allow the companies to operate the fields for a fixed period, but would not involve production-sharing, concessions or the booking of reserves.

Kuwait, Opec's fourth biggest producer, is pumping at 2.68 million bpd, Sheikh Ahmad said, adding he hoped production capacity would reach three million bpd over the next five years, with extra output from the northern fields playing a big part. To oversee the entry of international players, Kuwait has set up an Oil Development Company headed by Ahmad Al-Arbeed, who has also said the government will get the majority it needs to pass the Project Kuwait law.

Opponents to opening up Kuwait's upstream oil sector have argued it would breach the Gulf Arab state's constitution. An opportunity for foreign investment in Kuwait's downstream is expected in February when state-run Kuwait Petroleum Company invites bids to help build a \$6bn refinery with a capacity of up to 615,000 bpd. — Reuters