



شركة التنمية النفطية (ش.م.ك.)
Oil Development Company (K.S.C.)
A Subsidiary of Kuwait Petroleum Corporation

Clippings from local newspaper March 01, 2006

Kuwait Times Page 7 No. 13208

Wait drags on for foreign access to Kuwait's oil

KUWAIT: International companies that have already been waiting around a decade for the opening up of Kuwait's oil reserves will have to wait at least until the end of the year, a top oil official said yesterday. He stressed the urgency of bringing in foreign firms to help boost output at oilfields torched after the 1990 Iraq invasion. "The longer we wait, the

"It's very difficult to really say when it will get the final approval from parliament," he said. "Hopefully, it will be before the closing session of parliament this year that we will have final approval."

Hopes had been high that parliament would in January pass legislation to allow foreign companies to begin competing for access to four fields Raudhatain, Ratqa, Abdlali and Sabriyah in the north of Kuwait.

The fields were set on fire in 1990, though Zanki said the damage had not been severe. The succession crisis after the death of Kuwait's Amir in January forced

parliament to postpone indefinitely its regular sessions, including debate on a multi-billion-dollar plan to boost oil output in partnership with foreign firms.

First mooted in the late 1990s, the project to increase production by around 300,000 barrels per day to at least 900,000 bpd in the northern fields is part of a wider Project Kuwait to expand production capacity to four million bpd by 2020 from around 2.7 million bpd at present.

REPEATED DELAYS

Progress has been repeatedly delayed by opposition from conser-

more difficult it will be to achieve," Farouk Al-Zanki, head of the Kuwait Oil Company, said. "There's a really positive indication that it's a priority." "We need more help. We have an ambitious production plan. We want to meet our target. We can't do it on our own," he said. But, realistically, he said a breakthrough was unlikely until late this year.

vative elements opposed to allowing foreign companies access to Kuwait's oil.

But Zanki said the project now had government backing and its benefits were clear. "The concept and the benefit, it's very clear to everybody. We just need to ensure most of the benefit will go to Kuwait," he said.

Kuwait will be inviting bids from three international consortia led by BP, Chevron and ExxonMobil. Under a proposed Operating Service Agreement, Kuwait would control production and strategic management, while the internation-

al companies would control operational management. The foreign firms would not be able to book reserves.

Zanki said he could not comment on controversy following a media report earlier this year that Kuwait's reserves were only about half as big as officially stated.

But he said Kuwait's "capability to deliver production" was more important than the relatively abstract debate on overall reserves size. Apart from Saudi Arabia, Kuwait is the only other Middle Eastern country that denies international companies access to its oil reserves. — Reuters