

RELEASE IN PART
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From: newmyer [redacted] on behalf of Jackie Newmyer [redacted]
Sent: Tuesday, September 29, 2009 11:20 AM
To: H
Subject: new Iran-China oil deal, reported in Iran (in English) and in China (in Chinese)

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Secretary Clinton,

Just wanted to make sure that you saw the news about one of China's oil conglomerates and the Iranian National Oil Company over the weekend:

Iran, China sign a major oilfield deal, Mon, 28 Sep 2009 15:05:09 GMT China National Petroleum Corp (CNPC) has signed a contract with National Iranian Oil Company (NIOC) for the development of Iran's South Azadegan oilfield. The Chinese company will buy a 70 percent share of the whole project, according to an agreement signed Sunday in Lausanne, Switzerland between CNPC and NIOC's overseas investment subsidiary, Naftiran Intertrade Company (NICO) that covers a 90 percent stake in the project.

A likely explanation would be that this deal has been long in the making. Still, Tehran's motivation for releasing this information in English at this time is worth considering.

The whole story from an English-language Iranian outlet is pasted in below, and I found three Chinese-language sources with corroborating reports (nothing in English from China, though):

<http://business.sohu.com/20090929/n267094148.shtml>
<http://money.163.com/09/0929/14/5KCSKN5F002524SO.html>
<http://finance.sina.com.cn/world/gjjj/20090929/18566807524.shtml>

Jackie

Press TV

Iran, China sign a major oilfield deal
 Mon, 28 Sep 2009 15:05:09 GMT

China National Petroleum Corp (CNPC) has signed a contract with National Iranian Oil Company (NIOC) for the development of Iran's South Azadegan oilfield.

The Chinese company will buy a 70 percent share of the whole project, according to an agreement signed Sunday in Lausanne, Switzerland between CNPC and NIOC's overseas investment subsidiary, Naftiran Intertrade Company (NICO) that covers a 90 percent stake in the project.

CNPC, which won a bid in January to develop the North Azadegan oilfield, now holds a 70 percent share of the project with NICO holding 20 percent, and Inpex of Japan having the remaining 10 percent.

The South Azadegan project is slated to produce 260,000 barrels of crude oil per day, and its development will cost around \$2.5 billion.

The field, along the Iraqi border, holds reserves estimated at approximately 42 billion barrels of oil, one of the world's largest finds in the last 30 years.

Iran provides 14 percent of China's demand for oil.

The deal is couched in buy-back terms, in which CNPC will hand over the operation of the field to NIOC after development and will receive payments from the oil production for a few years to cover its investment.

China's investment in Iran's energy sector has increased as some western countries, led by the US, have sanctioned Iran over its peaceful nuclear program.

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