

# MINISTRY OF OIL PROJECTS DEVELOPMENT

**DHEYAA JAAFAR HAJAM AL-MUSAWI**

MINISTRY COUNCILOR FOR ENERGY AFFAIRS

MINISTRY OF OIL

IRAQ



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# OVERVIEW

- **The objective of this presentation is to provide a summary for the investment projects in Iraqi Pipelines, Oil and Gas Sector.**

# Iraq Jordan Export Pipeline (IJEK)



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# Executive Summary

- Iraq has begun an ambitious program to increase its crude oil production and export infrastructure.
- Iraq plans to increase its crude oil production from today's 3.4 million barrels per day (“bpd”) to approximately 7.0 million bpd by 2022
- Fundamental to this increase, is an increase in Iraq's existing export pipeline infrastructure, in particular access to alternative export routes.
- Basra, in the south of Iraq, is the main point of export, logistically constrained to approximately 5.0 million bpd;
- The Iraq Turkey Pipeline, to Ceyhan, is over 25 years old, with a design capacity of 1.6 million bpd and a current operational capacity of only 0.6 million bpd.
- Phase 1 of the MoO Export plan, is the installation of a new crude oil export pipeline, from Basra to the Port of Aqaba, in Jordan (the “Project”).
- The Project will constitute:
  - *A 2.25 million bpd pipeline from Basra (PS1A) to Najaf (PS3A) ; and*
  - *A 1.0 million bpd pipeline from Nagaf ( PS3A) to the Port of Aqaba, Jordan.*

# Project Overview



- **Main Pipelines:**
  - **Crude Oil: 348 km of 56” (PS1A(Rumila) to PS3A (Najaf))**
  - **Crude Oil: 1145 km of 42”/40” (Najaf to Aqaba)**
- **Main Pump Stations:**
  - **Iraq: PS1A, PS2A, PS3A, PS5B, PS12A & PS13A**
  - **Jordan: PS14A, PS15A, PS16A**
- **Block Valve Stations:**
  - **Crude Oil: 9 Iraq + 18 Jordan = 27 (preliminary)**
  - **The structure is on Build Own Operate and Transfer basis ( BOOT) for 25 years contact with an affiliate of Iraq MOO.**

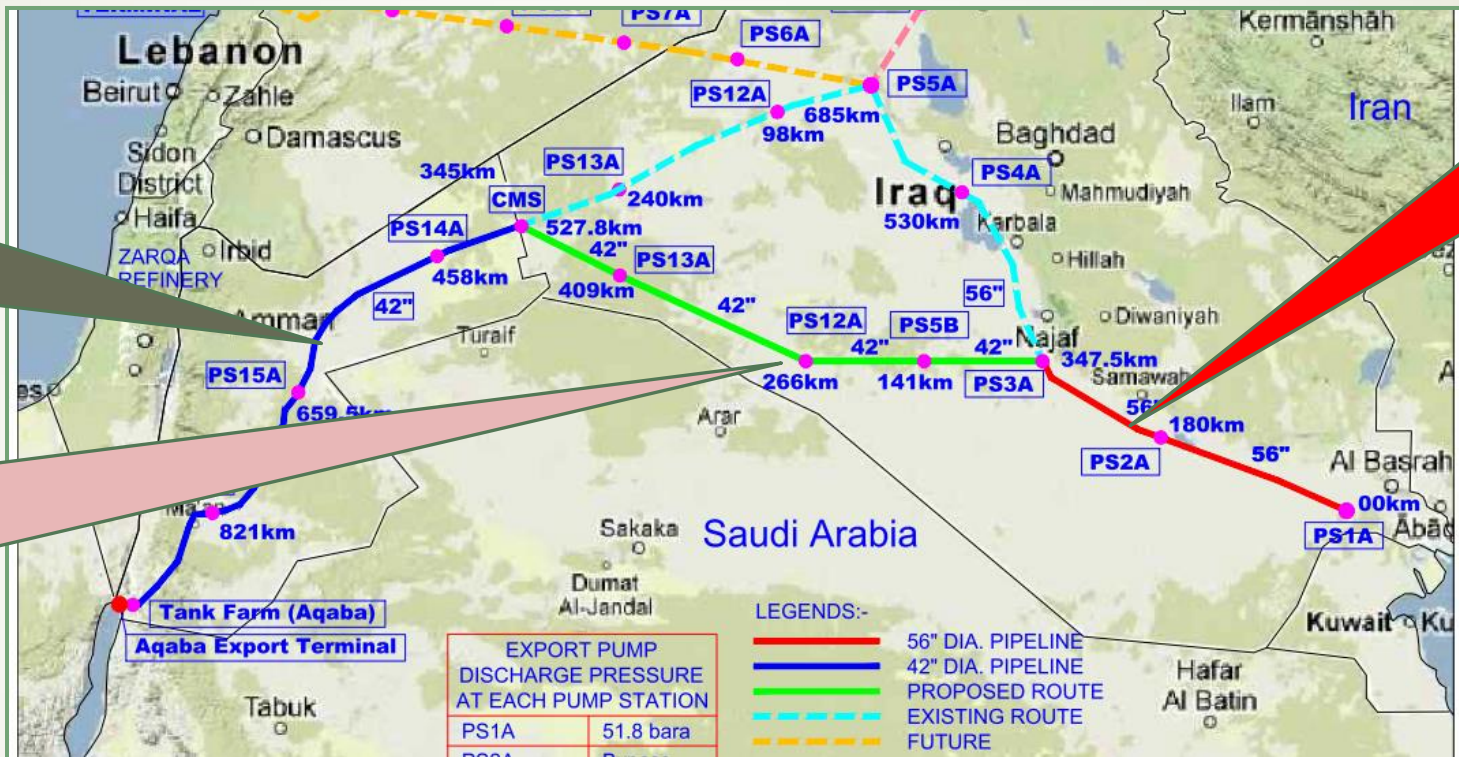


# The Project : Basra to Aqaba Export scheme & the potential developers



Jordan section  
Mass led consortia  
Co-investors

Nagaf –  
Iraq/Jordan Border  
Harlow led  
consortia  
Co-investors



Basra- Nagaf Consortium  
Harlow : 53%  
Al Douh : 17%  
Raban : 30%

Mass & Harlow to enter into a single JV for the complete scheme ( Basra – Aqaba ) & thus, forming a One Project company  
The various partnership across the various sections of the pipeline will be part of the consortia but under the leadership of Mass and Harlow . Their shares will be adjusted to cater for the whole project ( i.e. Basra to Aqaba)

### For Nagaf – Jordan section:

- Mass will be responsible for leading the financing process for the Jordan section and Harlow for the Iraqi section. However, the financing will be considered for the whole project and the Project Company is the borrower

### For Basra- Nagaf section :

- The Consortium Raban , Harlow and AIDouh share and scope split agreed between the consortium partners
- The scope and share % split already agreed and formally advised the Iraq Ministry of Oil MOO

# Iraq Turkey Export Pipeline (ITEP)



# BACKGROUND

- **The new Iraqi-Turkish system consists of 48” ND and 350 Km pipeline between new ITP1 tank farm up to metering station (MS) near the Iraqi Border.**
- **The new pipeline will run in parallel to the existing pipelines (40”&46”) route, as much as possible.**

- **DESIGN CAPACITY OF NEW PIPELINE**

- **It is proposed to design the pipeline system with 1.0 MMBPD of Kirkuk crude, with possibility of pumping Basrah crude in the near future, when the system from K3 at Haditha completed.**



# TYPE OF CONTRACT

- The proposed type of contract is build- own- operate and transfer **(BOOT)**.
- Contract duration is **20** years , and could varies depending on the economics of the project.
- The fee will depend on capital and operating expenditures.
- Experienced legal firm will prepare the necessary agreements between the government (moo) and the boot contractor.

# IMPLEMENTATION

Description of Tasks	Estimated Timeline
Announcement	20-Dec-17
Letter of interest	24-Jan-18
Invitation to Bidders for PQR	04-Feb-18
Closing date for the PQR	12-Mar-18
Announcement of qualified Bidders	17-Apr-18
Invitation to Bid	22-Apr-18
Closure date for Technical Bids	24-june_18
Technical Evaluation Results	20 Sep-18
Commercial Bid for technically passed Bidders	20 Oct-18
Complete Evaluation of Proposals and contract award	20 -Nov-18
Contract signature	23-Dec-18

# INVESTMENT PROJECT IN OIL REFINING SECTOR

# ANNOUNCED INVESTMENT PROJECTS

Item	Project	Design Capacity KBPD	Location	closing date for information package	submission proposal
1	New Refinery Haditha	70	Anbar	1/4/2018	15/5/2018
2	Qaiyarah Refinery	100	Qaiyarah	1/4/2018	15/5/2018
3	Diwaniyeh Refinery	70	Diwaniyeh	29/4/2018	14/6/2018
4	Kut refinery	100	Wasit	29/4/2018	14/6/2018
5	Nassriayah Refinery	150	Nassriayah	1/4/2018	15/5/2018

- This will be executed as BOOT or BOO investment to according the law of privet investment Crude oil refining No. 64 of 2007 & its amendments .
- The refinery products will be with specification (EURO-5).

# INVESTMENT PROJECTS IN IRAQ (Referred Projects)

Item	Project	Design capacity KBPSD	Company Name	Investment type	Note
1	Kirkuk Refinery	70	Raniyah International	Boo	The MoO Singed the Investment Contract On 8/2/2018. Currently complete the procedures for getting the investment license & the rent of the land contract.
2	Basrah / Al- Faw with ability for expanding and adding units for petrochemical industries	300	Powerchina & Norinco	BOO	Preparing to singe the Investment contract
3	Basrah Refinery	150	Island energy	BOO	Preparing to singe the Investment contract
4	Missan Refinery	150	Missan International Refinery Copmany	BOO	<ul style="list-style-type: none"> <li>- The MoO submit on 4/1/2018 commitment to provide the water required for the refinery</li> <li>- The MIRC undertake to start the work (in the site) within one month</li> </ul>



# INVESTMENT PROJECTS IN IRAQ (Complementary Units)

Item	Project	Design Capacity KBPD	Location	Note
1	LAB Project	75000 Ton/y	Basrah	Harlow Company submitted the proposal to invest in this project .  Currently we are waiting to receive the financial documents & the EPC contractor.
2	Naphtha Hydrogenation & Reforming unit	12 Th B/D	Kirkuk	MoO has been signed the investment contract .  We ask the National Investment committee to provide the Investment license for the project.
3	Naphtha Hydrogenation & Reforming unit	12 Th B/D	Simawah	MoO signed the investment contract with Khayrat al Abar company .Currently we negotiate with the investor about agreed on the price discount .
4	Asphalt Oxidation Unit		Basrah	Under preparing the information package .

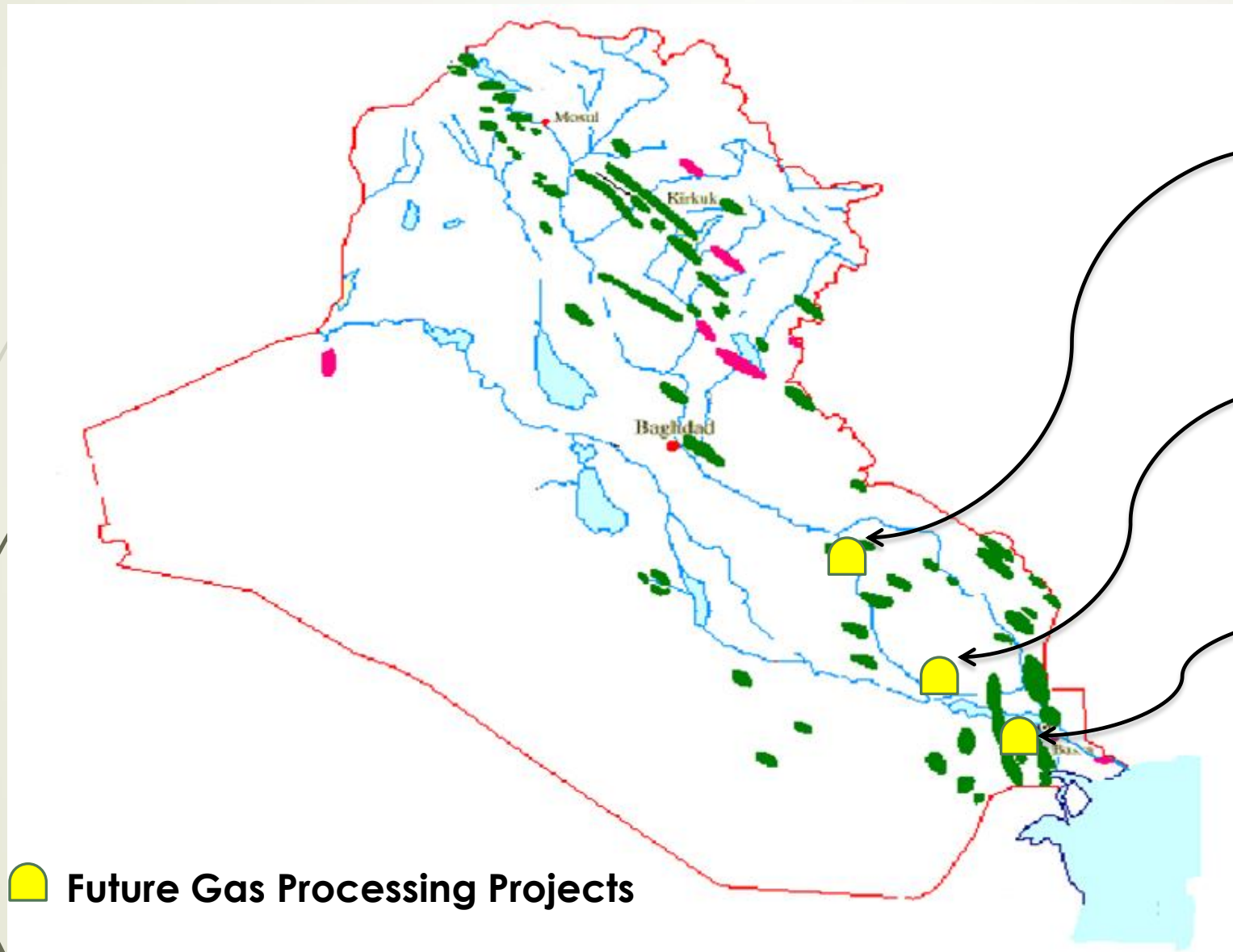
- This will be executed as BOOT or BOO investment to according the law of general investment no. 13 for 2006 and its amendment

# INVESTMENT PROJECT IN GAS SECTOR





# GAS PROJECTS IN IRAQ



Halfaya  
Gas Processing Project in  
Missan Fields  
(300 MMCF/D)

Garraf & Nasiriya  
Gas Processing Project in  
Nasiriya  
(200 MMCF/D)

Artawi  
Gas Processing Project in  
Majnoon, West Qurna 2,  
Saba, Luhais & Tuba  
(300 MMCF/D)



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# INTERNATIONAL COMPANIES INVITED TO INVEST IN GAS PROJECTS

➤ The following companies have been invited to invest the gas in Basra and Nasiriya fields:

- GE
- SHELL
- KOGAS
- ORION
- SIEMENS
- PETROFAC
- HONEY WELL UOP
- NIGATA
- CAMERON
- EXTERN
- TOYO ENGINEERING
- ATC
- ITALFLUID

➤ As for the gas Missan fields/ Halfaya project it is currently announced by Petrochina (Missan Field Contractor) as a part of its contact obligations and the closing date is on 9 April 2018.

# INTERNATIONAL COMPANIES PARTICIPATED IN GAS PROJECTS

- The companies participated in the gas project in Garraf and Nasiriya fields:
  - BHGE
  - KOGAS
  - Applied Technology Corporation ( ATC )
- The companies participated in the gas project in Basra fields (Artawi):
  - PETROFAC
  - HONEY WELL UOP
  - Applied Technology Corporation ( ATC )



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# IMPROVING THE INVESTMENT ENVIRONMENT IN IRAQ

- In order to ensure fair competition between the companies (the investment opportunities were announced on the website of the ministry) as a public invitation to investors.
- For the purpose of selecting companies with the best technical and financial qualifications, the Ministry adopted a unique evaluation criteria approved by the Minister.
- Requirements for improving the investment environment:
- The projects in the oil sector, especially refinery projects are projects of a special nature because of the complexities in the structure of refineries, the number of units involved which reflected on the cost of these projects as the investment law in refineries No. 64 of 2007 and its amendments does not include any guarantees.
- The Energy Committee of the Council of Ministers was approached to grant the Ministry the authority to contract with the Investor to purchase liquidated products at a specified rate (decided by the Ministry of Oil) for the repayment period of the loan (5-7) years after the commercial operation of the refinery.
- Taking into account the geographical location of the refinery and the cost of transporting and exporting of its products.
- Accelerate the procedure of granting the land to the investor.
- The commitment of the Ministry of Water Resources to prepare the quantity of water required and from the nearest source to the project.



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**THANK YOU FOR  
YOUR ATTENTION**