



Opportunities in Iran Oil and Gas Sector in the Post-Sanction Era

Presented by Dr. Fereidun Fesharaki, Chairman, FGE Group

The Institute of Energy Economics, Japan (IEEJ)

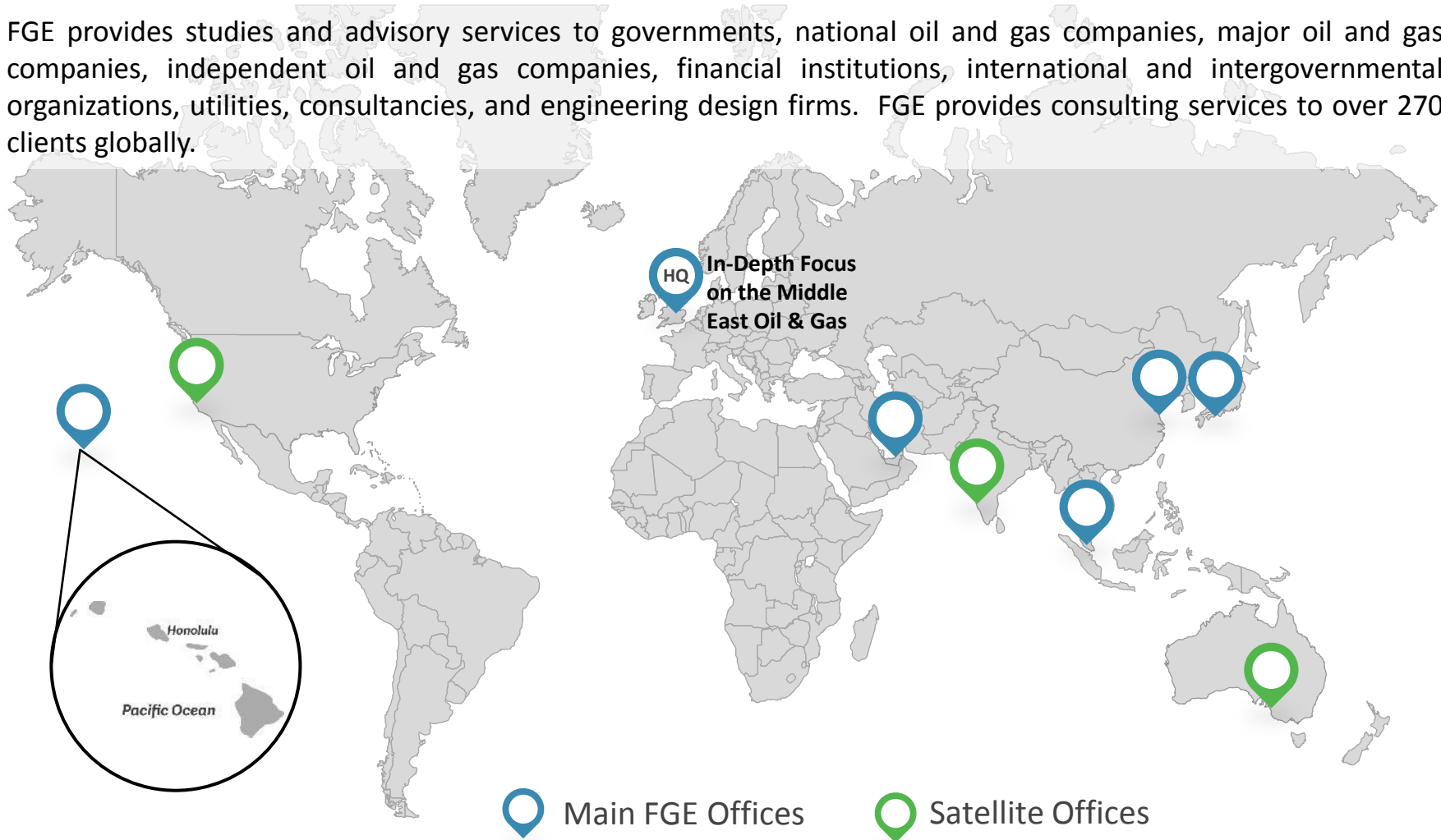
Tokyo, February 3, 2016



FGE as a Global Consulting Group

Main and Satellite Offices

FGE provides studies and advisory services to governments, national oil and gas companies, major oil and gas companies, independent oil and gas companies, financial institutions, international and intergovernmental organizations, utilities, consultancies, and engineering design firms. FGE provides consulting services to over 270 clients globally.



FGE Services on Iran

Iran Commercial Advisory Service



- Within the Upstream Oil and Gas, Downstream Oil and Refining, Gas, Petrochemicals and Power Sectors, we offer Commercial Advisory Services which can be created in a bespoke manner to meet the client's advisory needs. In addition to the many topic areas within each sector from which to select, this service includes:
 - Tailored reports and ad-hoc studies
 - In-house briefings
- FGE's Iran Commercial Advice provided across all building blocks includes:
 - Key Introductions
 - Relationships and Stakeholder Management
 - Potential Investment Opportunities
 - Project Identification and Screening
 - Economic Assessment and Feasibility Studies
 - Deal Negotiation and Strategy
 - Risk Assessment and Management
 - Guidance Through Political and Regulatory Environment

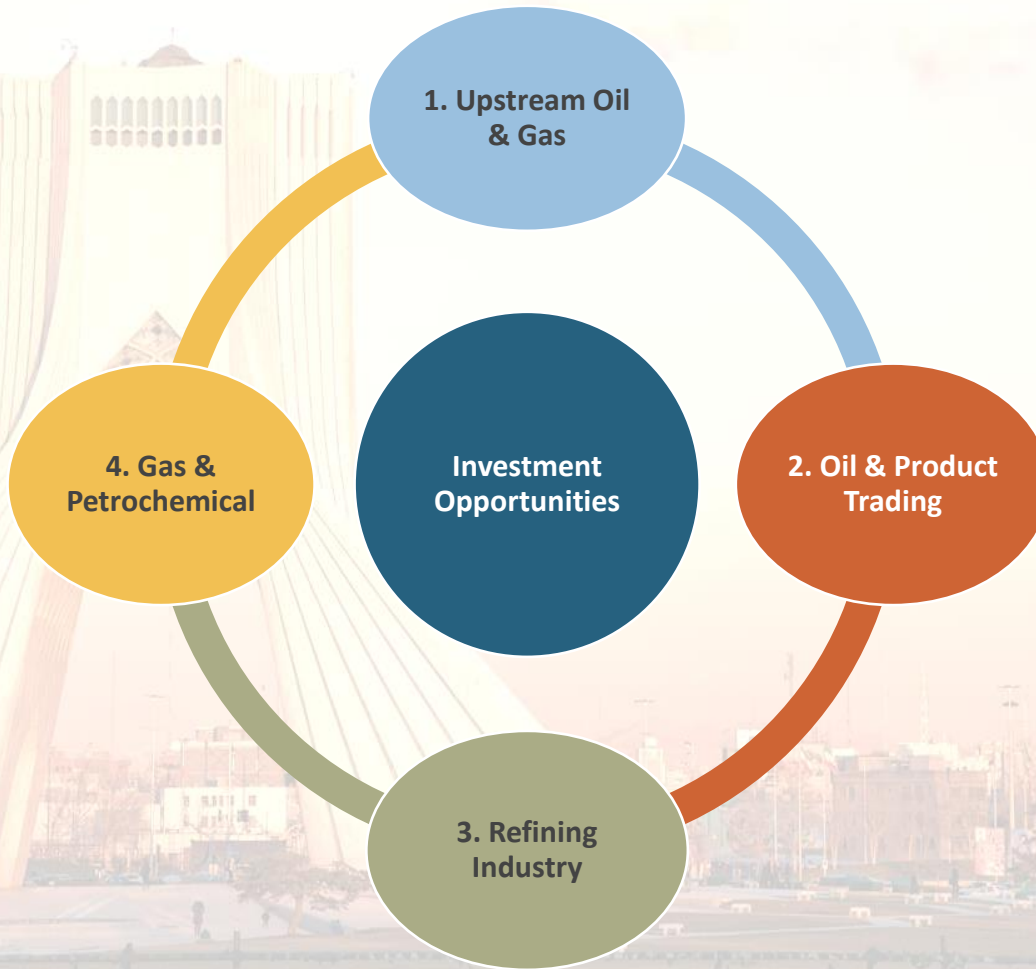
FGE Services on Iran

Iran Oil & Gas Retainer Service

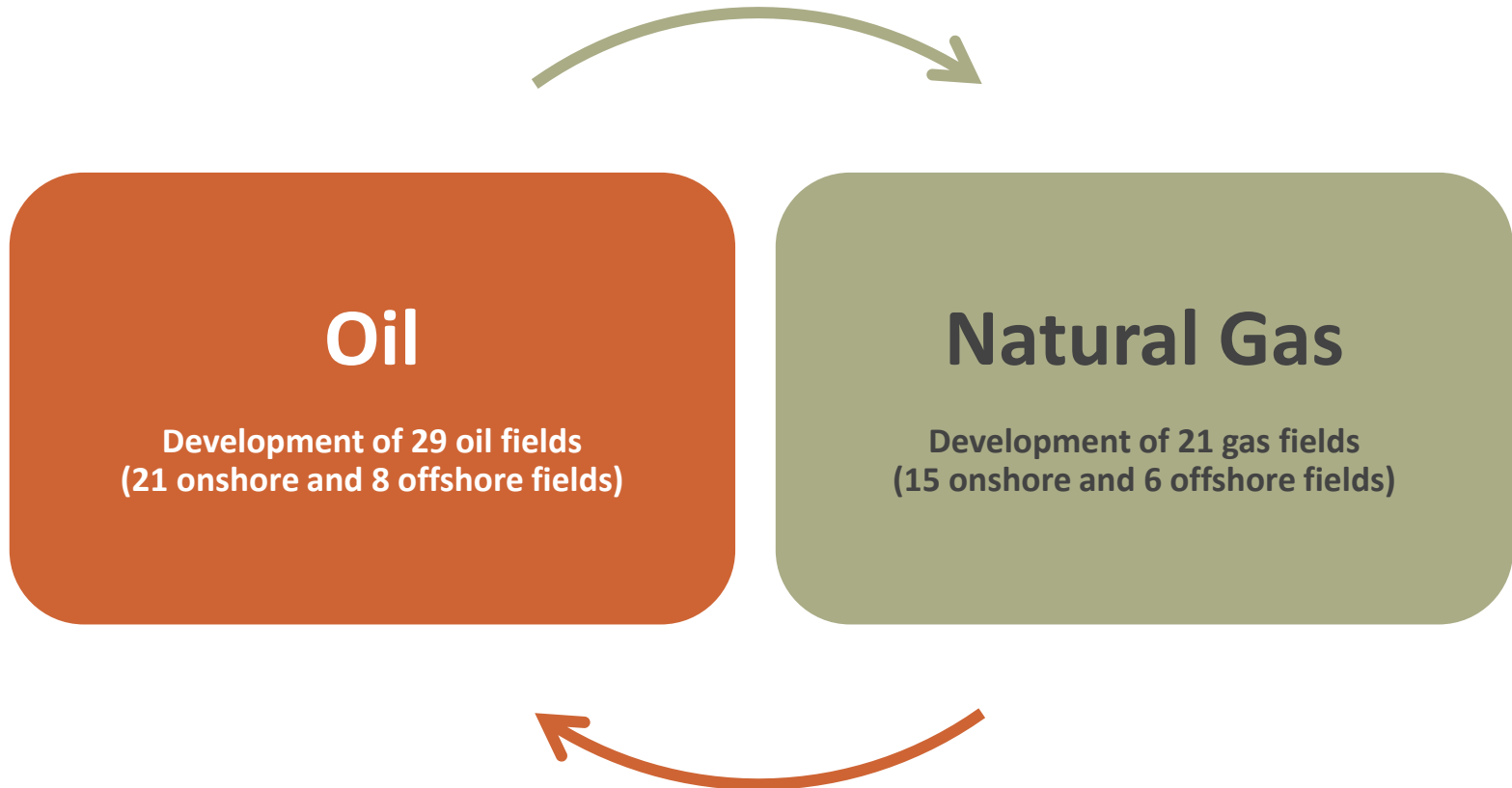


- FGE's Iran Oil and Gas Service builds upon decades of research, consulting, and professional networking to provide our customers with a detailed and comprehensive analysis of Iran's oil and gas industry.
- Key Benefits of This Service:
 - Accurate, reliable, and consistent industry information provided.
 - Historical annual data (back to 1975) as well as monthly trade data since January 2012.
 - Short-term forecasts for oil and petroleum supply.
 - Long-term forecasts for oil, petroleum products, and natural gas supply/demand to 2030.
 - Latest monthly data on Iran's oil and gas sector.
 - Vast insights on Iran's oil and gas infrastructure.
 - Detailed insights on upstream and downstream developments in the region.

A new chapter is ready to begin for Iran's energy sector



Opportunities in the Iranian Upstream Sector

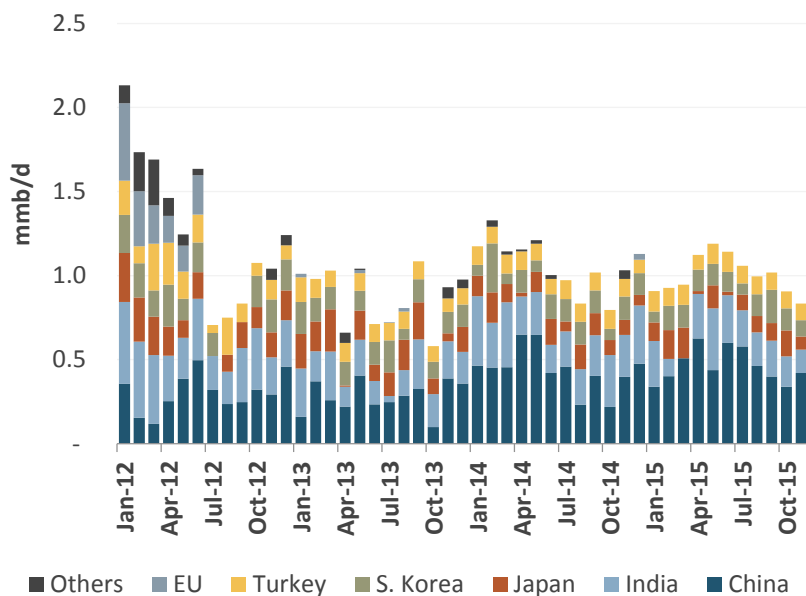


Iran's Upstream Sector: How fast it can be developed?

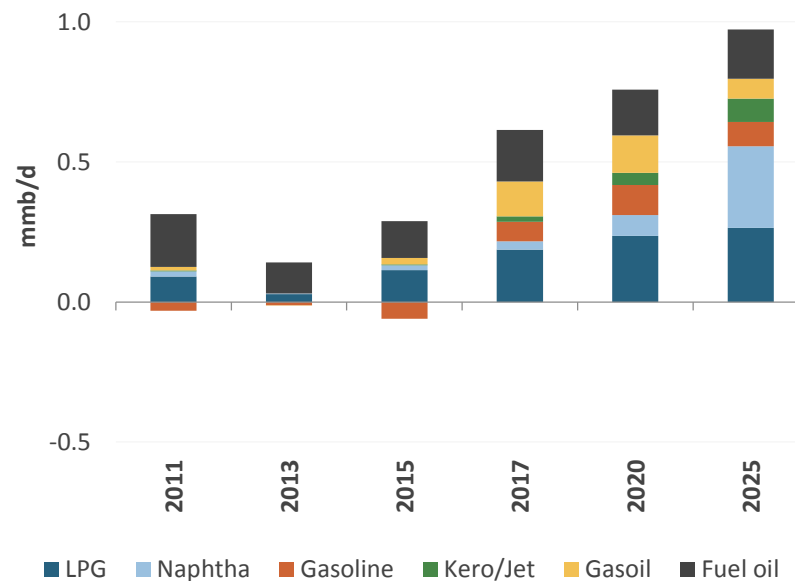
- Iran hopes to attract US\$20-30 billion of foreign investment into its oil and gas sector with its new contract model, once oil sanctions are lifted.
- With the development of the listed oil fields, Iran hopes to bring nearly 1 mmb/d of additional crude oil into the market over the next 4-5 years. The ambitions for the gas sector are even more robust, with a goal to increase production from new gas fields by over 15 bscf/d.
- In the new upstream contract model, Iran has tried to address the buy-back contract shortcomings and has made its best efforts to make the structure more attractive at least compared with the existing Iraqi upstream contracts.
- However, this will be mostly a European/Asian show as the US companies will not participate. Not all offered blocks will be attractive for IOCs. There will be huge emphasis on investment in the already discovered fields to slow down decline rates and to improve production prospects.
- Iran is a gas province and not an oil province in the Middle East. The introduced list of oil and gas projects indicates that Iran may not be able to increase oil production capacity substantially, but there will be huge potential for incremental gas production.

Oil and Product Trading

Iran's Crude Oil Exports

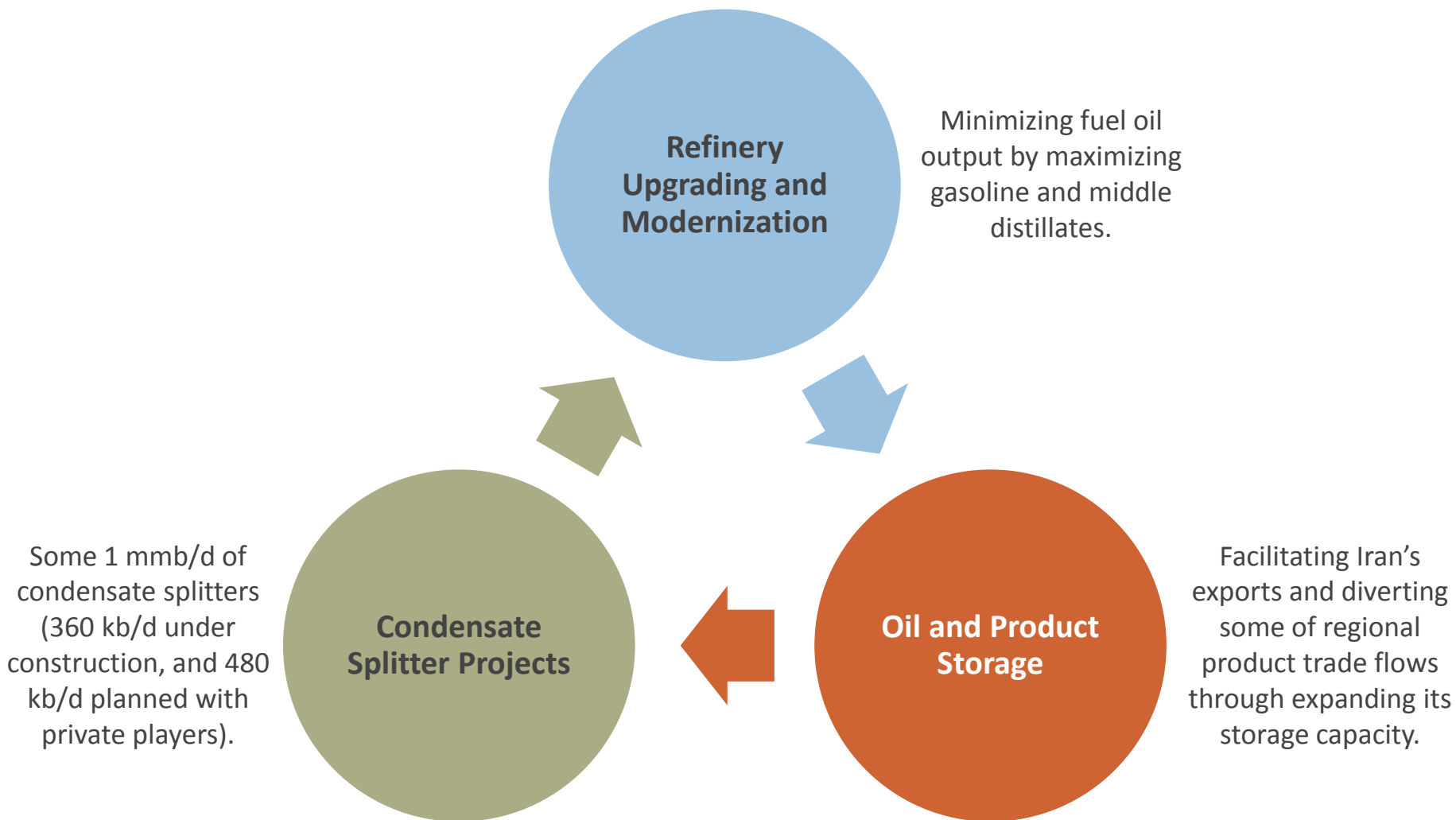


Iran's Petroleum Product Trade

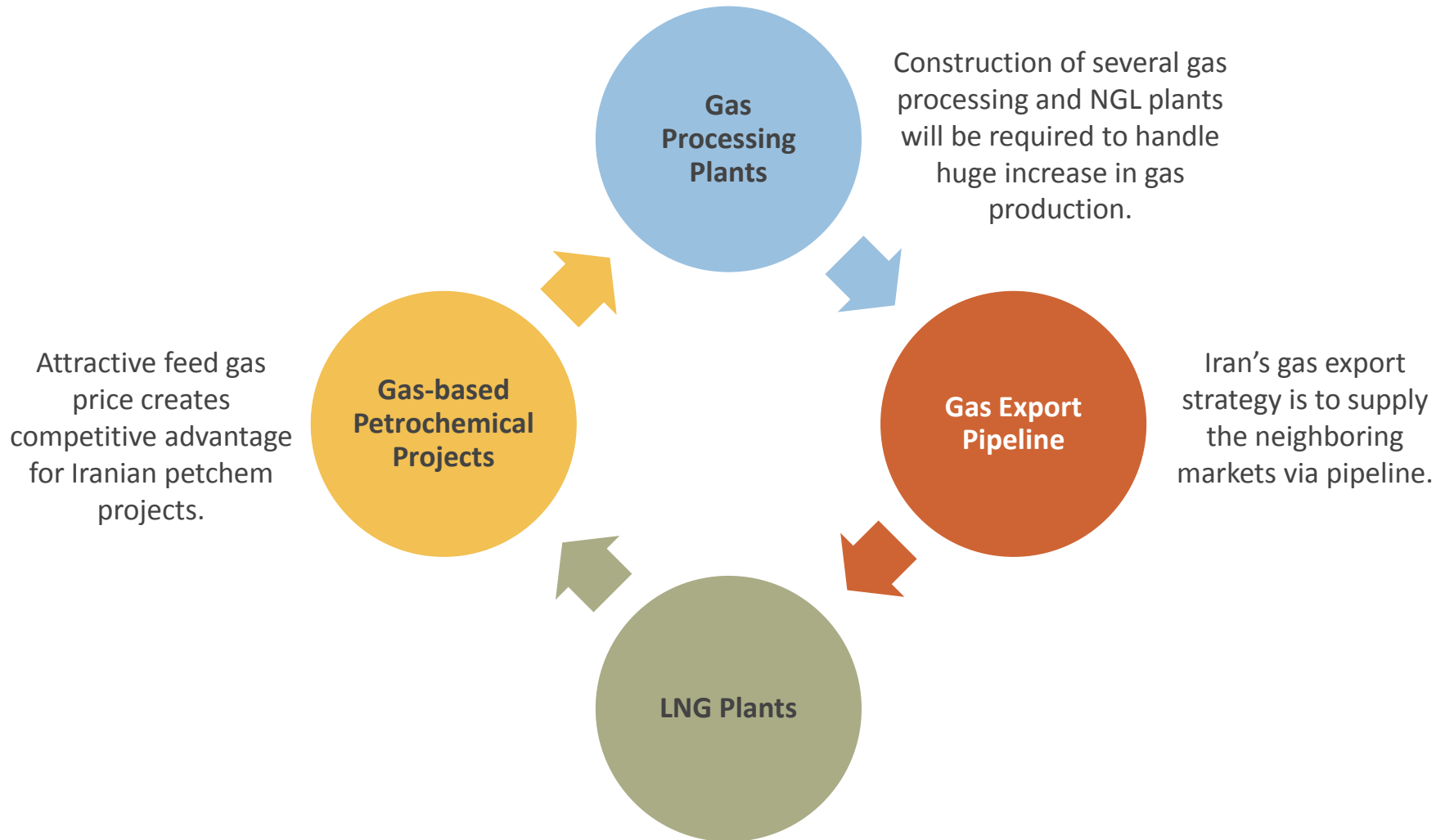


- Iran has pre-agreed sales commitments for some 500 kb/d. Another 500 kb/d could be sold by yearend, depending on the market circumstances.
- Iran is expected to emerge as a large product exporter in the region, exporting some 1 mmb/d of petroleum products by 2025.

Opportunities in the Refining Industry



Opportunities in the Gas and Petrochemical



Will Iran Export LNG?



- As the EU and US nuclear related sanctions have been lifted, Iran will be able to resume construction of the Iran LNG project and the project is now likely to become operational sometimes in 2021/2022.
- Although the project is still on hold, Iran has spent nearly US\$2.5 billion on this project since 2009, therefore Tehran remains intent on developing it.
- With lifting sanctions, there may be few other options for Iran to export LNG in the future. These options may be:
 - Utilization of Qalhat LNG in Oman
 - Possible use of the Das Island LNG facilities in Abu Dhabi.
 - Few small/mid scale LNG projects which each may have 1-2.5 mmt of liquefaction capacity.



Thank You

Retainer Services | Advisory Services | Multi-Client Studies | Consultation

www.fgenergy.com | FGE@fgenergy.com

Contact :report@tky.ieej.or.jp

Global Headquarters

FGE London:

FGE House
133 Aldersgate Street
London, EC1A 4JA
United Kingdom
Tel: +44 (0) 20 7726 9570

Asian Headquarters

FGE Singapore:

8 Eu Tong Sen Street
#20/89-90 The Central
Singapore 059818
Tel: +65 6222 0045
Fax: +65 6222 0309

Global Offices

Tokyo:	+81 (3) 6256 0299
Beijing:	+86 (10) 5869 5737
Dubai:	+971 (4) 457 4270
Hawaii:	+1 (808) 944 3637
California:	+1 (714) 593 0603
Mumbai:	+91 (22) 2407 4032