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

Presented by Dr. Fereidun Fesrakaki, Chairman, FGE Group

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  – 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

1. Upstream Oil & Gas
2. Oil & Product Trading
3. Refining Industry
4. Gas & Petrochemical

Investment Opportunities
Opportunities in the Iranian Upstream Sector

Oil
Development of 29 oil fields (21 onshore and 8 offshore fields)

Natural Gas
Development of 21 gas fields (15 onshore and 6 offshore fields)
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.
• 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

- **Refinery Upgrading and Modernization**: Minimizing fuel oil output by maximizing gasoline and middle distillates.

- **Condensate Splitter Projects**: Some 1 mmb/d of condensate splitters (360 kb/d under construction, and 480 kb/d planned with private players).

- **Oil and Product Storage**: Facilitating Iran’s exports and diverting some of regional product trade flows through expanding its storage capacity.
Opportunities in the Gas and Petrochemical

Construction of several gas processing and NGL plants will be required to handle huge increase in gas production.

Iran’s gas export strategy is to supply the neighboring markets via pipeline.

Attractive feed gas price creates competitive advantage for Iranian petchem projects.
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.