

Oil Development Company Kuwait Project

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Kuwait calls for Jan 16 debate on north oil

Panel backs CBK policies

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KUWAIT CITY, Dec 6, (Agencies): The Kuwaiti government called on parliament Tuesday to hold a session on Jan 16 to debate a controversial \$8.5 billion oil project with the help of foreign oil majors.

The request was sent to Parliament Speaker Jassem Al-Khorafi who, according to Kuwaiti law, should ask the 50-member House to discuss the

project that has been stalled for over a decade due to MPs' resistance.

Opposition MPs fear that the project would give foreign companies control of Kuwait's vital oil wealth.

Parliament's Financial and Economic Affairs Committee approved in June a draft law regulating the investment after introducing several amendments to a government-proposed bill.

The committee on Saturday turned down a request by two of its members to withdraw the bill for further discussions.

If approved, it will be the first major foreign investment in Kuwait's upstream oil resources since Kuwait nationalised its oil wealth in early 1970s. Oil income contributes more than 90 per cent of total revenues.

Kuwait wants to almost double oil production from four fields near Iraq from 530,000 barrels per day currently to 900,000 bpd during the 20-year duration of the investment, known as Project Kuwait.

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The investment is limited to the oilfields of Rawdatin, Abdali, Sabriya and Ritqa and will not apply to other fields.

Energy Minister Sheikh Ahmad Fahd Al-Sabah had said returns of foreign companies over the 20-year period will be around \$3.2 billion.

The investment aims to use the advanced technology of international oil firms in developing secondary reservoirs as part of a strategic plan to boost the country's output from 2.8 million barrels bpd now to four million in 2020.

Kuwait, which holds around 10 per cent of global reserves, has already prequalified some 25 operator and non-operator foreign companies for Project Kuwait, including Shell, ExxonMobil, BP Amoco, ENI, Total and Chevron.

The companies have formed three consortia which are expected to make fresh bids for the project.