



شركة التنمية النفطية (ش.م.ك.)  
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## PERSPECTIVES

# Parliamentary election result may delay Project Kuwait

**KUWAIT:** Kuwait's GDP, driven by higher oil prices, rose 35 per cent in 2005 to reach \$81 billion. The surpluses seem likely to continue at least in the near term giving Kuwait time to implement new strategies for its hydrocarbons industry. Yet the clock is ticking. Energy industry insiders in Kuwait argue

There are big question marks. Earlier this year influential analysts queried the exact amount of Kuwait's oil reserves, officially put at 97.3 billion barrels, by the state-owned Kuwait Oil Company and equating to an estimated 10 per cent of world petroleum reserves.

The Energy Ministry has asserted that the reports they are much less and inaccurate have since they were based on development recorded at only 31 fields and not Kuwait's entire 105 fields. In contrast the minister declared that new oil finds in

the northern region would be likely to raise Kuwait's reserves by nearly 10 per cent.

The estimated cost of developing four northern oilfields, with foreign assistance, as part of Project Kuwait has been put at \$8.5 billion. Returns for foreign investors over 20 years are suggested as \$3.2 billion.

The aim is to raise production using advanced technology from the Rawdatin, Sabriya, Ritqa and Abdali fields. Shell, BP, ExxonMobil, Amoco, ENI, Total and Chevron are among those involved in various con-

sortiums bidding for the project.

Progress thus far has been snail's pace. The move has proved controversial since it would represent the first substantial foreign investment in the emirate's oil resources for more than 30 years and has been debated on and off since 1992.

However, a year ago it seemed that at last the go ahead had been given when a Kuwaiti parliamentary committee approved a government draft law to obtain foreign oil companies' help in developing the fields near the border with Iraq.

that in spite of growing oil revenues, there is urgent need for foreign technical assistance to maintain production levels in ageing fields and to exploit new areas. The main thrust is to double oil production from about 2.7 million b/d to some 4 million b/d in a long-term programme, known as Project Kuwait.

The National Assembly has a major say in economic policy issues and multi-billion-dollar development projects and its approval is essential to the opening up Kuwait's upstream sector to foreign investment.

It is not easy to drive things forward. There are no political parties in Kuwait rather movements formed by politicians that can come together tactically on one issue but disagree on others.

Parliamentary elections on June 29 resulted in a new 50-seat assembly expected to lead

to yet more confrontational politics as well as delays to major new measures particularly the long awaited green light for Project Kuwait.

There may yet be an even more potent obstacle in the form of still unresolved border issues. During a recent visit to Kuwait City, Iraq's Prime Minister Nouri Al-Maliki raised long standing disputes over horizontal drilling in oilfields between their shared border and declared there was no done deal over sharing hydrocarbon resources.

— AME Info