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Iraq's First Petroleum Licensing Round Kirkuk Contract Area – Bidding Results

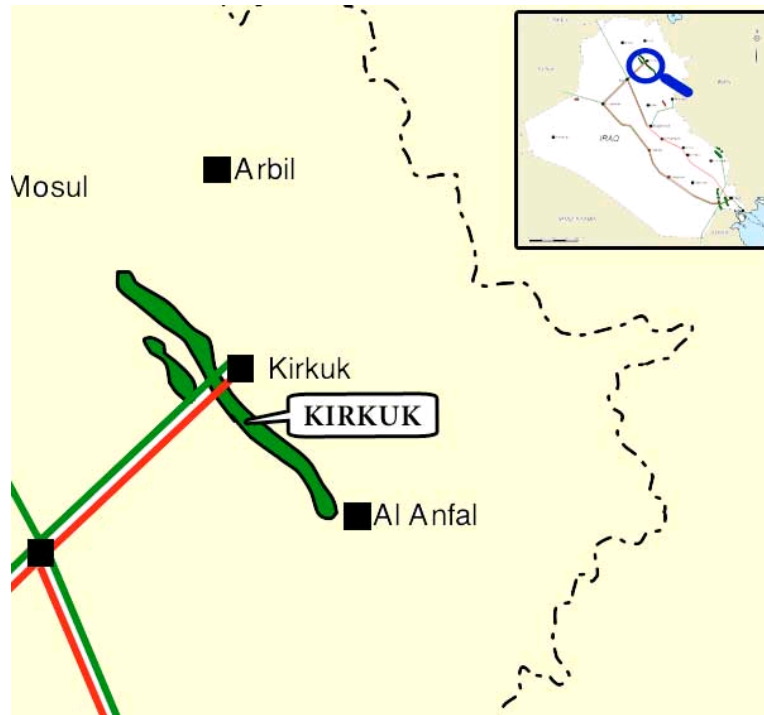
The Petroleum Contracts and Licensing Directorate of the Ministry of Oil is pleased to announce the results of bidding for the Kirkuk Contract Area.

One bid was received from a consortium of four companies led by Shell. However, the Remuneration Fee Bid was in excess of the Maximum Remuneration Fee (MRF) of US\$ 2.00 per barrel set by the Ministry of Oil. The consortium declined the opportunity to match the MRF set by the Ministry of Oil.

The bid as received was:

Company / Consortium	Plateau Production Target (Bopd)	Remuneration Fee Bid (US\$/Bbl)	Points Rank
Shell Iraq Petroleum Development B.V. (40.2%)*, Sinopec International Petroleum Exploration and Production Corporation (24.9%), CNPC International Ltd. (24.9%), Turkish Petroleum Corporation (10.0%)	825,000	7.89	100.0

Overview



The super-giant Kirkuk field lies in north Iraq, near the town of Kirkuk. The field is an elongated, northwest-southeast oriented structure over 100 kilometers long and up to 4 kilometers wide. The field comprises three domes. From the northwest these are the Khurmala, Avanah and Baba domes. An additional dome, named Zab, further to the northwest, was thought to be the fourth dome of the Kirkuk field but has been shown to be a separate structure.

The Baba and Avanah domes, separated by the Amshe saddle, comprise the original and intended field development. Development of the Khurmala dome was planned in the 1980s but was postponed and activity there has only recently resumed.

Four reservoirs have been developed in the Kirkuk field. Extensive fracturing has caused the Jeribe and Euphrates formations to be in communication with each other and the Kirkuk group, creating a single reservoir of Oligocene to Miocene age known as the Main Limestone. The Kometan and Mauddud formations are also considered to be a single reservoir. The remaining two reservoirs in the field are the Maastrichtian Shiranish and Aptian Shu'aiba formations.