

July 2, 2009

## **Iraq's First Petroleum Licensing Round Missan 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 Missan Contract Area.

One bid was received from a consortium of CNOOC and Sinochem. However, the Remuneration Fee Bid was in excess of the Maximum Remuneration Fee (MRF) of US\$ 2.30 per barrel set by the Ministry of Oil. In accordance with the protocol for the bidding process consortia had the opportunity to match the MRF, although this was declined.

A further offer was received from the CNOOC consortium, details of which are also given below.

Following a meeting of the Cabinet on July 1 this additional offer was considered, but a decision was made not to award the Missan Contract Area at this time.

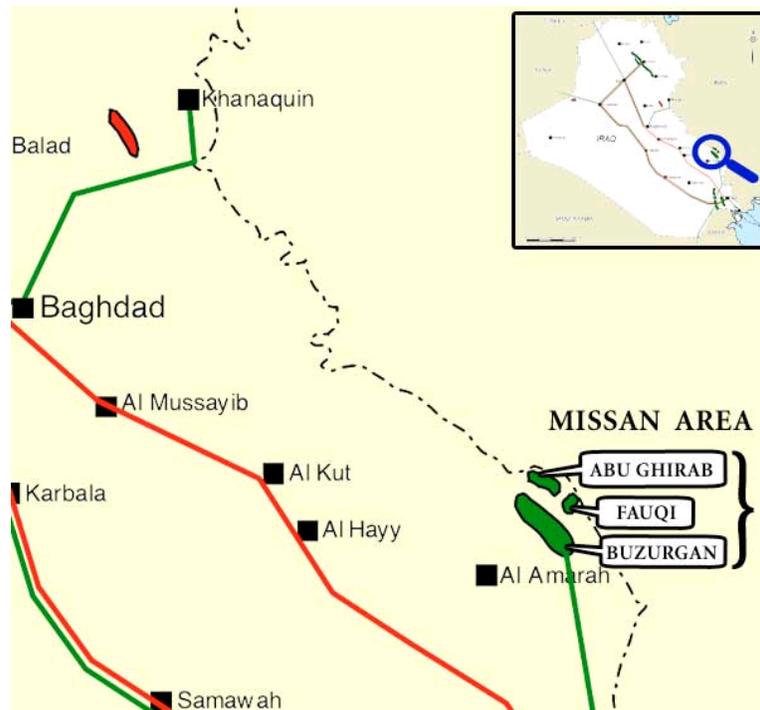
The bid originally placed was:

<b>Company / Consortium</b>	<b>Plateau Production Target (Bopd)</b>	<b>Remuneration Fee Bid (US\$/Bbl)</b>	<b>Points Rank</b>
CNOOC Limited (80%)*, Sinochem Corporation (20%)	450,000	21.40	100.0

The additional bid was:

<b>Company / Consortium</b>	<b>Plateau Production Target (Bopd)</b>	<b>Remuneration Fee Bid (US\$/Bbl)</b>
CNOOC Limited (80%)*, Sinochem Corporation (20%)	450,000	18.09

## Overview



The Missan area is located in the southeast of Iraq, close to the border with Iran, and contains both producing and undeveloped fields. The largest town in the region is Amara, some 50 kilometers to the southwest of the main oil producing area.

The terrain in the area is variable but is mainly flat semi-arid to arid conditions with slight increasing elevation from Amara to Abu Ghirab, approximately 150m above sea level.

There are three fields included in this area: Buzurgan, Abu Ghirab and Fauqi. The first oil production from the area began in 1976 (from the Buzurgan and Abu Ghirab fields), however production was suspended in 1980 because of the Iraq–Iran war, and did not restart until 1998.

The formations are mainly carbonate, though some mixed carbonate/sandstone formations are also seen.