

July 2, 2009

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

Five bids were received from eleven companies, bidding in four consortia led by ExxonMobil, CNPC, Lukoil and Repsol, and Total bidding on their own. However, the Remuneration Fee Bid was in excess of the Maximum Remuneration Fee (MRF) of US\$ 1.90 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.

Further offers were received from the ExxonMobil and CNPC consortia, details of which are also given below.

Following a meeting of the Cabinet on July 1 these additional offers were considered, but a decision was made not to award the West Qurna Contract Area at this time.

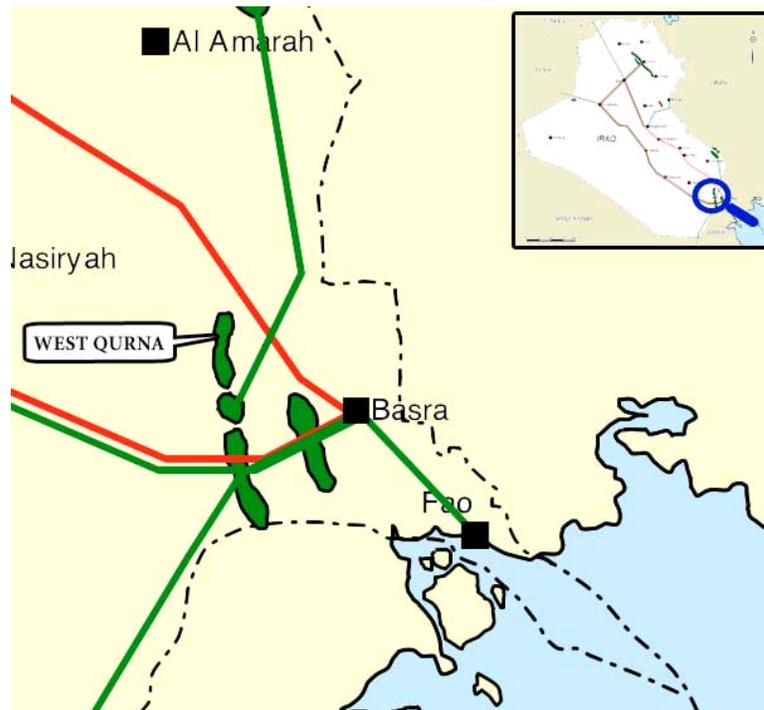
The bids originally placed were:

Company / Consortium	Plateau Production Target (Bopd)	Remuneration Fee Bid (US\$/Bbl)	Points Rank
ExxonMobil Iraq Limited (80%)*, Shell Iraq Petroleum Development B.V. (20%)	2,325,000	4.00	100.0
CNPC International Ltd. (46.67%)*, PETRONAS Carigali Overseas SDN. BHD. (33.33%), Japan Petroleum Exploration Co., Ltd (20%)	1,900,000	2.60	81.9
Open Joint-Stock Company "LUKOIL Oil Company" (66.67%)*, ConocoPhillips Iraq Ltd (33.33%)	1,500,000	6.49	56.8
Total E&P Iraq (100%)	900,000	7.50	28.7
Repsol Exploration, S.A. (40%)*, StatoilHydro ASA (30%), Maersk Oile og Gas AS (30%)	650,000	19.30	12.6

The additional bids were:

Company / Consortium	Plateau Production Target (Bopd)	Remuneration Fee Bid (US\$/Bbl)
ExxonMobil Iraq Limited (80%)*, Shell Iraq Petroleum Development B.V. (20%)	2,325,000	3.70
CNPC International Ltd. (46.67%)*, PETRONAS Carigali Overseas SDN. BHD. (33.33%), Japan Petroleum Exploration Co., Ltd (20%)	1,900,000	2.58

## Overview



West Qurna is a substantial oil field in the southeast of Iraq, around 50 kilometers northwest of the city of Basrah. Overlapping the northern edge of the Rumaila field, West Qurna can be regarded geologically as a structural extension of North Rumaila, but was designated a separate field for non-technical reasons. It is considered a separate asset for development in this offer.

Three reservoirs of West Qurna have been produced from in the past, though it is only a single reservoir that is currently planned for future development and therefore on offer. This reservoir is the Mishrif Formation, the Zubair and Sa'di reservoirs being much less significant in comparison.