

July 2, 2009

Iraq's First Petroleum Licensing Round Zubair 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 Zubair Contract Area.

Bids were received from twelve companies in four consortia led by ENI, CNPC, ExxonMobil and ONGC Videsh. 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. 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 ENI, CNPC and ExxonMobil 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 Zubair Contract Area at this time.

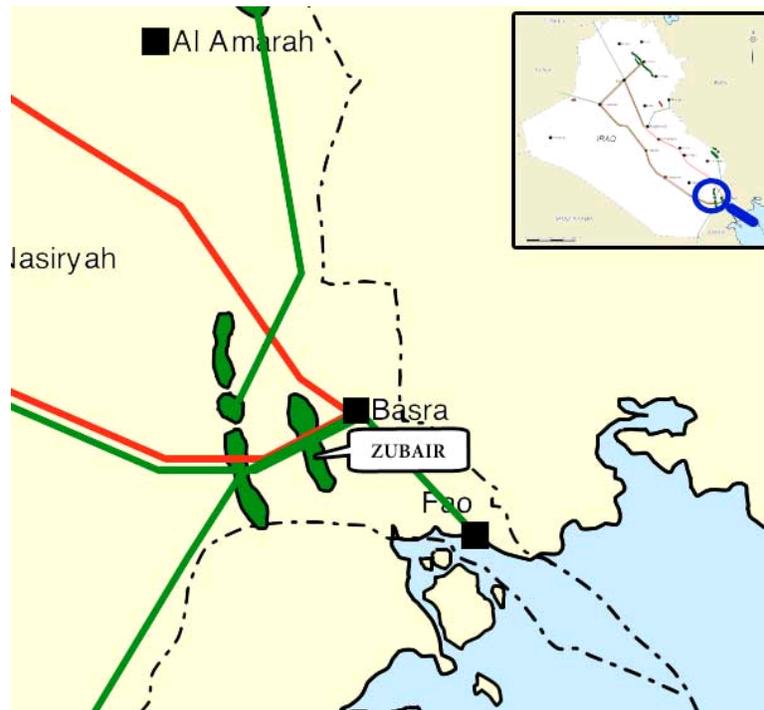
The bids originally placed were:

Company / Consortium	Plateau Production Target (Bopd)	Remuneration Fee Bid (US\$/Bbl)	Points Rank
Eni Medio Oriente S.p.A.(35%)*, Sinopec International Petroleum Exploration and Production Corporation (20%), Occidental Petroleum Corporation (25%), Korea Gas Corporation (20%)	1,125,000	4.80	100.0
CNPC International Ltd. (66.67%)*, BP Exploration Operating Company Limited (33.33%)	1,075,000	4.09	96.1
ExxonMobil Iraq Limited (65.1%)*, Shell Iraq Petroleum Development B.V. (19.9%), PETRONAS Carigali Overseas SDN. BHD. (15.0%)	850,000	4.80	70.4
ONGC Videsh Limited (51%)*, JSC Gazprom neft (25.5%), Turkish Petroleum Corporation (23.5%)	525,000	9.90	31.5

The additional bids were:

Company / Consortium	Plateau Production Target (Bopd)	Remuneration Fee Bid (US\$/Bbl)
Eni Medio Oriente S.p.A.(35%)*, Sinopec International Petroleum Exploration and Production Corporation (20%), Occidental Petroleum Corporation (25%), Korea Gas Corporation (20%)	1,125,000	4.40
CNPC International Ltd. (66.67%)*, BP Exploration Operating Company Limited (33.33%)	1,075,000	3.99
ExxonMobil Iraq Limited (65.1%)*, Shell Iraq Petroleum Development B.V. (19.9%), PETRONAS Carigali Overseas SDN. BHD. (15.0%)	850,000	3.80

Overview



Zubair is a substantial oil field in the southeast of Iraq, around 20 kilometers southwest of the city of Basrah. The field exists in structural traps in an anticline that runs roughly north-northwest to south-southeast.

There are four domes to the Zubair field, from the northwest these are the Al-Hamar, Shuaiba, Rafidyah and Safwan domes. Safwan, the most southern dome, extends beyond Iraq's border and into Kuwait, where it is known as the Abdalli field. There are three reservoirs that have been appraised and produced from, and are available for further development. These are the Mishrif Formation, and the Upper and Lower units of the Zubair Formation (also known locally as the Third and Fourth Pay, respectively).

There are hydrocarbon shows and strong potential in several other reservoir intervals. However, these have not yet been appraised and so are not included in any current plans for future development.