

# Globalization through LNG and Gas Pricing Mechanism

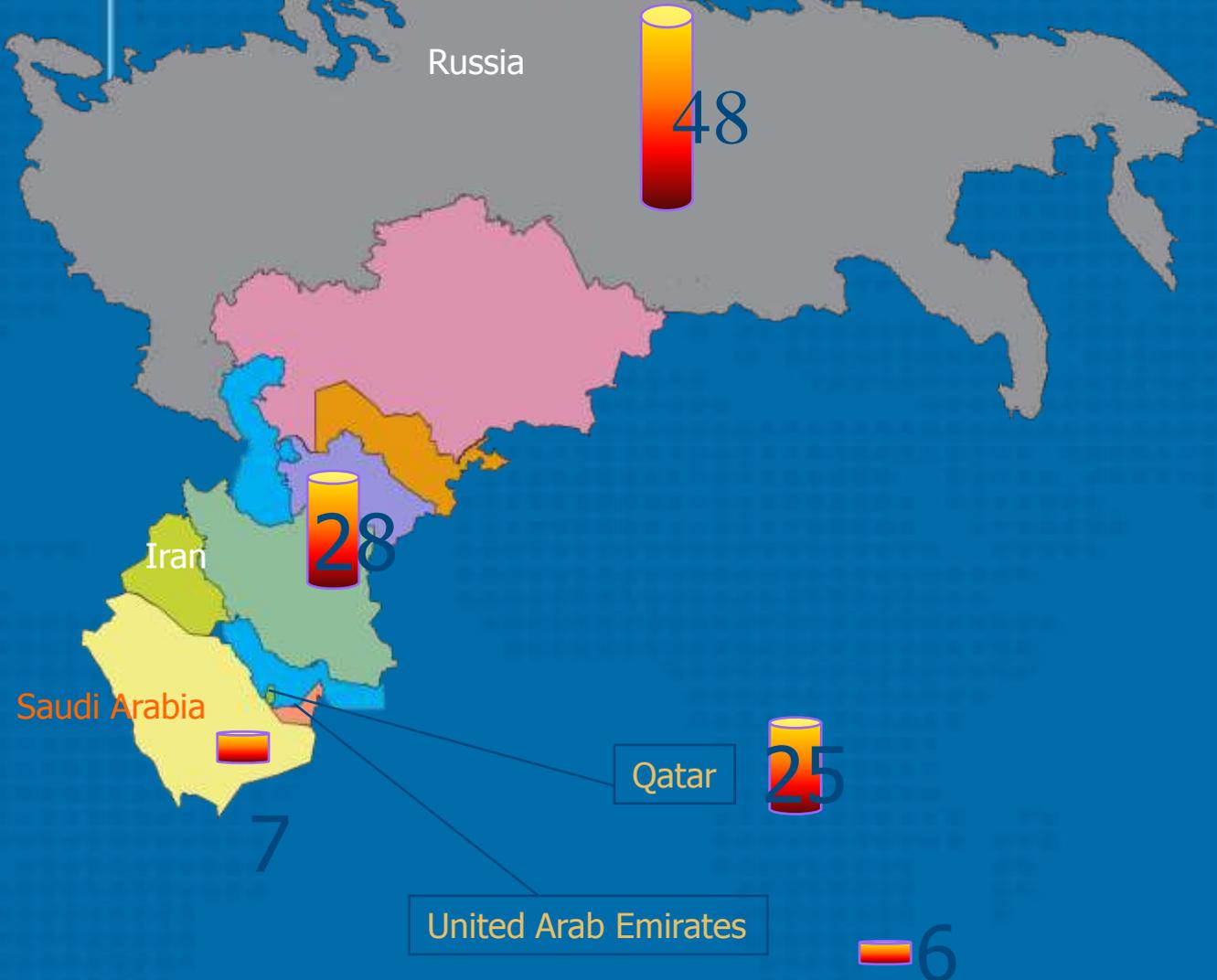
**S. R. KASSAEI ZADEH**  
Advisor to the Oil Minister &  
Managing Director of NIGEC



National Iranian Gas Exporting Co.



# Top 5 Gas Reserves



TCM

# Iran's Gas Export Policy

- Recent studies shows gas transportation up to 5000 Km by pipeline is more economic than LNG.
- It is planned to construct 2 main pipelines for EU countries (IGAT-9) and Asian countries (IGAT-7).
- It is important to have gas pricing formula equal for all customers.
- Also it is planned to produce 66.2 mmt/a LNG for long distance markets.

# South Pars Gas Field

- South Pars Gas Field is a joint field with Qatar in Persian Gulf.
- Iran's share is 460 TCF which equal of 50% of Iran's total gas reserves.
- Iran's plan for development South Pars is production of 28 bcf/d
- Share of LNG projects in this plan is 7 bcf/d through 3 different projects with total capacity of 36.2 mmt/a:
  1. Pars LNG 10mmt/a
  2. Iran LNG 10mmt/a
  3. Persian LNG 16.2mmt/a

# Pars LNG

- A-Upstream:
  - ✓ Phase 11 of South Pars development plan with capacity of 2 bcf/d will produce feedstock for Pars LNG
- B- Midstream:
  - ✓ Pars LNG is a plant with capacity of 10 mmt/a
  - ✓ It is a joint investment project between NIOC as 50% and Total-Petronas 50%
  - ✓ The project is in FID level
  - ✓ This project has started in 2001 and unfortunately because of political reasons does not succeed as schedule

# Iran LNG

- A-Upstream:
  - ✓ Phase 12 of South Pars development plan with capacity of 3 bcf/d will produce feedstock for Iran LNG
- B- Midstream:
  - ✓ Iran LNG is a plant with capacity of 10 mmt/a
  - ✓ It is an entirely investment project by NIOC
  - ✓ All necessary Licenses has been provided
  - ✓ All contractors for different activities has been selected and are active in site
  - ✓ The project is in 12% progress

# Persian LNG

- A-Upstream:
  - ✓ Phase 13&14 of South Pars development plan with capacity of 3 bcf/d will produce feedstock for Persian LNG
- B- Midstream:
  - ✓ Persian LNG is a plant with capacity of 16.2 mmt/a
  - ✓ It is a joint investment project between NIOC as 50% and Shell-Repsoil 50%
  - ✓ The project is in tendering level
  - ✓ This project has started around 7 years ago and unfortunately because of political reasons does not succeed as schedule

# North Pars Gas Field

- North Pars Gas Field is a field in Persian Gulf .
- Total reserve of the field is 57 TCF.
- Iran's plan for development of North Pars is production of 20 mmt/a LNG.
- CNOOC from China is Iran's partner for this development.
- It has been agreed to allocate 10 mmt/a of this production for CNOOC and 10 mmt/a for other Iranian customers.

# Golshan Gas Field

- Golshan Gas Field is a field in Persian Gulf .
- Total reserve of the field is around 60 TCF.
- Iran's plan for development of Golshan Gas Field is production of 10 mmt/a LNG.
- SKS from Malaysia is Iran's partner for this development.
- It has been agreed to allocate 5 mmt/a of this production for SKS and 5 mmt/a for other Iranian customers.

# LNG Master Plan

- Pars LNG 10mmt/a
- Iran LNG 10mmt/a
- Persian LNG 16.2mmt/a
  
- North Pars LNG 20 mmt/a
- Golshan LNG 10 mmt/a
  
- Total Capacity 66.2 mmt/a

# Gas Export to EU countries

- A main pipeline (IGAT-9) is under construction from South Pars area to Iran-Turkey border.
- This pipeline will continue to final destination based on requirements of different customers.
- Based on recent agreement between Iran and Turkey, gas will transit through territory of Turkey for EU countries.
- There would be same pricing formula for all EU countries at Iran-Turkey border.
- Customers would be responsible for transit fee and transportation cost depends on final destination.

# New Hub

- Iran-Turkey border would be the future hub for gas market.
- Other gas producers in this region can benefit from existing infrastructure in this hub

**Thank you  
for your kind attention**



**National Iranian Gas Exporting Co.**

