

Boom in oil industry gained during 1,000-day term of Raisi



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The measures by the incumbent government in about 1,000 days of its service (started August 2021) led to a boom in Iran's oil and gas industry, as crude oil production increased by more than 60 percent, and oil exports increased from 300,000 barrels to an average of 1.5 million barrels per day. Iranian Minister of Oil Javad Owji has recently said from the very beginning, the current government (13th government) has never waited for negotiations to remove international sanctions, adding that in recent 2.5 years, relying on domestic new technology-based firms (NTBFs), Iran's oil industry has gained great achievements.

Stating that at the beginning of the current administration, the amount of oil production and export was not favorable, the minister said: "Today, we have achieved such figures in this field that are hard for many to believe." "By the end of last Iranian year (March 19, 2024), we have completed about 132 unfinished projects worth \$28.5 billion, and at the same time, we have started the implementation of 50 projects worth \$47.5 billion," he announced.

Pointing to the 54-million-cubic-meter increase in the gas production, as well as a rise of 220,000 barrels in processing capacity and 10 million tons of petrochemicals in the last 2.5 years, Owji said a large part of the achievements obtained thanks to the completion and exploitation of unfinished projects, some of which were delayed for more than 10 years.

Owji said the development of Phase 11 of South Pars Gas Field, which was passed around by foreign companies for 20 years, is one of the main achievements of the Ministry of Petroleum during the tenure of the 13th government.

"This achievement was gained by the efforts of the managers and employees of the oil industry and by relying on domestic contractors, which currently produces 12 million cubic meters (mcm) of gas, and according to plans, will increase to 30 mcm by the end of the 13th administration, and in the coming years will hit 50 mcm."

Pointing out that the previous government had announced that it was ready to hand over the Abadan Refinery which is the country's oldest refinery for free, Owji stated: "Today, we see that the refinery contributes greatly to the production of oil products in Iran as last year it made a profit of 12 trillion to-mans (\$200 million)." The executive works of the second part of Phase 2 of the refinery's development project will also start soon, he added.

Collecting associated petroleum gas

Contracts worth over \$5 billion were signed for the collection of associated petroleum gas (APG) in the 13th government for field gas collection of the West Karoun and East Karoun fields of Karun as well as fields in the west of Iran, the minister stated. "Currently, 11.5 mcm of APG are collected, which will reach 30 mcm by the end of the current Iranian year (March 20, 2025). Methane from the processing of these flare gases is injected into the national gas network as heavy compounds are fed to petrochemical complexes in order to create more added value." He mentioned the completion of South Pars Phase 14 Refinery after a decade and said: With the full launch of the complex, more than 50 mcm per day was added to Iran's gas refining capacity.

Extraterritorial refinery projects

The National Iranian Oil Refining and Distribution Company (NIORDC) was the first Iranian

company to start extraterritorial refineries.

Venezuela was the first country, and El Palito was the pilot refinery for Iran's extraterritorial project.

The El Palito refinery project in Venezuela has progressed by about 85 percent, as 85-90 percent of its equipment has been provided by Iranian companies. Iran also has reached an agreement with South Africa to develop and equip five refineries in the African state.

The agreement was reached on the sidelines of the 15th BRICS Summit in Johannesburg, South Africa, under which the Iranian Oil Ministry will help to develop five refineries in South Africa by exporting technical and engineering services.

Boosting pressure

The pressure boosting project, which started last Iranian year, requires an investment of \$20 billion as its implementation will fetch \$900 billion in income and 90 trillion cubic feet of gas for the country, has said Mohsen Khojasteh-Mehr, the CEO of the National Iranian Oil Company (NIOC).

Eligible companies that we have chosen for the project should work in the field of geophysical and geotechnical studies, turbo-compressor manufacturing, and pressure boosting platforms.

The official noted that his company has signed a contract with petrochemical companies for 20 gas tanks worth \$7 billion, explaining that the NIOC cooperates with petrochemical complexes and refineries, and supports them in providing feed and export issues.

Launch of megaprojects

Last year, the NIOC signed a \$13-billion contract for the development of oilfields, of which \$12.5 billion pertained to two joint fields, Khojasteh-Mehr stated, adding that Iran has 400 oil and gas reservoirs, as the



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country's total oil and gas reserves are equivalent to 340 billion barrels of crude oil. A total of 700 low-yielding wells have been handed over to new technology-based firms (NTBFs) and technological companies because the private sector can help the entire upstream chain of the oil industry.

Gaining self-sufficiency

Referring to the implementation of very important projects in the field of gas storage, Owji has said in the last [Iranian] year of 1402, more than one billion cubic meters (bcm) of additional gas storage was done compared to its preceding year of 1401.

Owji explained about the increase in the quality of petroleum products in the country's refineries stating that the production of Euro 5 products was achieved in the Isfahan Refinery last year, and according to plans, the boosting of quality for petroleum products in all refineries is carried out by relying on domestic capacity.

He referred to the implementation of more than 1,000 kilometers of gas pipelines in the country, and continued: "In the current administration, five gas pressure boosting stations were put into operation and gas was supplied to more than 6,000 villages."

Iran's oil industry has attained self-sufficiency in all sectors, including the development of offshore and onshore fields, marine structures, the construction

of petro-refineries, the collection of APG, and the drilling of horizontal and vertical wells, relying on the domestic manufacturers of the industry.

Planning has been done to increase the production of oil and gas, oil and petrochemical products in the Seventh Development Plan which relies on the potentials of domestic companies.

There is no limit to investment in the oil industry, the minister said inviting all investors to join the industry, as the Ministry of Oil will also provide full support. According to statistics released by the Statistical Center of Iran (SCI) and the Central Bank of Iran (CBI), the Ministry of Oil had a magnificent performance last Iranian year, Owji said adding the economic growth of the oil and gas sector was over 20 percent last year, which had a significant impact on the overall economic growth of the country.

More revenues

Iran exported \$35 billion worth of crude oil in 1402 despite all the restrictions, Owji has stated noting that the enemies made efforts to stop Iran's oil tankers, but they failed.

Talking about the Ministry of Petroleum's plan for the current Iranian year, Owji said a sum of 79 projects valued at \$25 billion will be put into operation in the upstream and downstream sectors, as 50 new projects have also been kicked off.

"With the implementation

of new oil industry projects, 300,000 to 400,000 bpd will be added to oil production, 35 mcm to crude gas production, 50,000 barrels to refining capacity and three million to five million tons to the annual production capacity of petrochemical complexes of the country."

Referring to the signing of contracts for the development of oil and gas fields by the NIOC with domestic contractors, the minister said adding four contracts were inked with domestic firms valued at \$20 billion for the pressure boosting project in the South Pars joint field and \$13 billion worth of contracts for the development of seven oilfields has been signed by the NIOC.

He pointed to the call of the Ministry of Petroleum to supply gas feed to petrochemical units and stated: "During last weeks, important documents were signed with 13 petrochemical companies to supply their gas feed from 20 gas fields."

Fruits of Raisi's foreign visits

The ground is paved for cooperation on oil sector with foreign countries which was done by Raisi's visits to other countries, the minister stated noting that oil cooperation with foreigners in the field of exporting oil, oil products, petrochemical products and exporting techno-engineering services is increasing day by day.

All the capacities of the country in the technical, financial, contractors and advisory sectors are used for the prosperity of the oil industry, Owji said, noting that "There is no better place than investing in oil industry, as the return on capital in the oil industry occurs in the shortest time."

Owji pointed to the development of energy diplomacy by the 13th government and added: "Today, despite all the restrictions, compared to [the Iranian year of] 1397, the highest level of exports is carried out."