

Iraq goes for oilfield modernisation in big way: Report

Washington, June 20 (RIA Novosti) Iraq is to sign by month-end over 30 contracts for development and modernisation of its oil fields with major western companies, a US daily has said.

The two-year contracts will be awarded to companies that have been acting in advisory roles to the Iraqi oil ministry in recent years, the Washington Post reported, quoting ministry spokesman Asim Jihad.

Five oil companies - US-based ExxonMobil and Chevron, Royal Dutch Shell, France's Total and the British oil company BP - are expected to secure the biggest contracts to develop Iraq's vast oil resources.

'We have had discussions since last year. The discussions have now ended,' Jihad told the daily.

In mid-February, Moscow wrote off \$12 billion, or 93 percent, of Iraq's debt to Russia, a move widely seen as aimed at securing lucrative oil contracts.

However, Iraq's Foreign Minister Hoshyar Zebari said Baghdad welcomed Russian companies interested in doing business in the country, but would not offer them special privileges.

The New York Times reported Thursday that the Iraqi government hoped to increase oil production 'by half a million barrels per day by attracting modern technology and expertise to oil fields desperately short of both.'

Iraq has oil reserves of an estimated 115 billion barrels and an estimated 112 trillion cubic feet of natural gas reserves, according to the oil ministry.

US Secretary of State Condoleezza Rice said Thursday Washington was not involved in negotiations to secure the deals.

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