

Iran signs \$6.2 billion worth of contracts to increase oil output



Tehran, July 10 (RHC)-- Iran has awarded dozens of contracts worth \$6.2 billion to domestic companies to have oil production increase by 280,000 barrels per day (bpd) as part of a plan entitled "The extra-output scheme."

A senior official from the National Iranian Oil Company said on Wednesday that 10 out of a package of 33 contracts had been signed with companies and manufacturers based in Iran to start construction and installation of equipment at offshore and onshore oil fields in the country.

Reza Dehghan said the contracts showed that Iran was determined to increase investment in its oil industry despite sanctions imposed by the United States which restricts the country's ability to export crude.

"The execution of the extra-output scheme in the oil fields is a sign that the rights of the Iranian nations in joint fields are protected," said the official, making a reference to the oil fields that are shared with neighboring countries.

Iran's oil minister says China's role in phase 11 of South Pars gas field should be sorted out soon. Dehghan said nearly a quarter of the projected increase in Iran's daily oil output would come from Ramshir and Mansouri oil fields, both located in the southwestern Khuzestan province.

He said around a third of the value of the contracts, some \$2 billion, would be dedicated to equipment and installation facilities that would mostly be built by Iranian companies.

Despite having its crude exports reduced as a result of sanctions, Iran has maintained its oil production at levels ranging from three to four million bpd since last year.

Unverified reports suggest traceable oil shipments from Iran have declined to record low levels of below 500,000 bpd although Iranian officials insist exports have continued through irregular channels.

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