

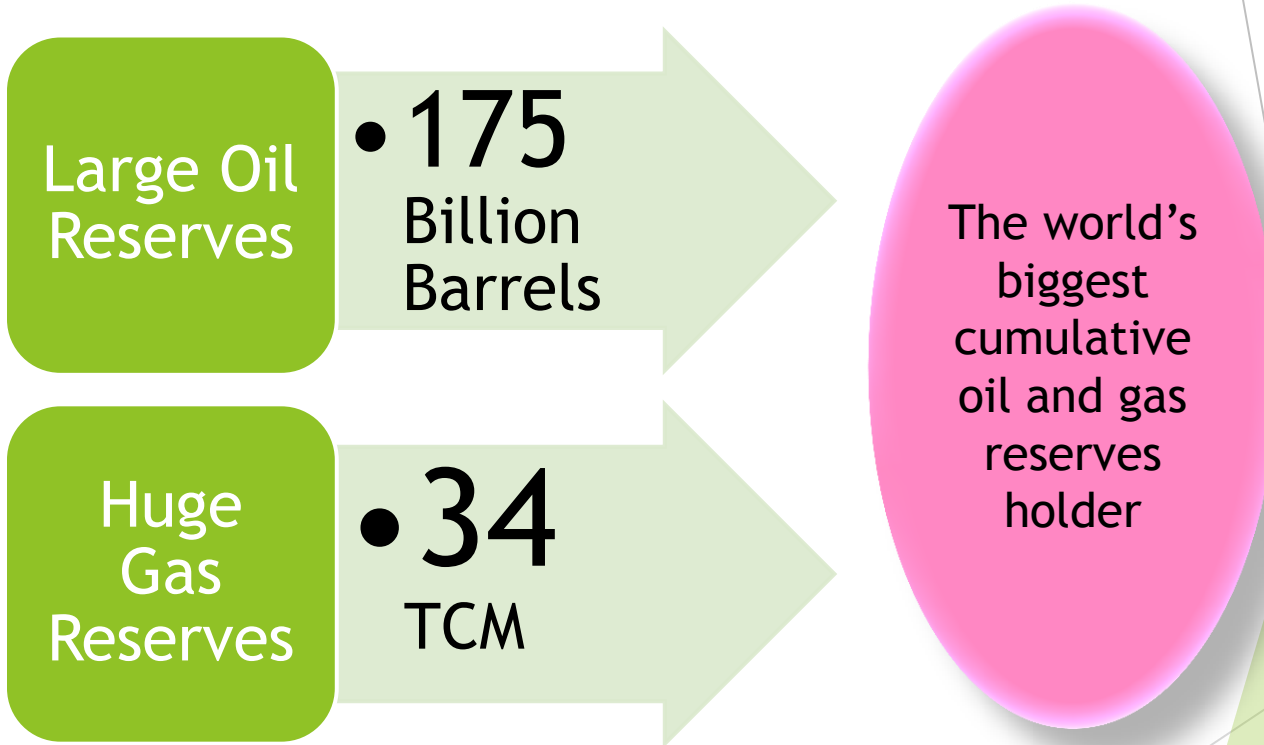
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RUSSIAN-IRANIAN ENERGY FORUM:
**“Russia and Iran: Towards Sustainable Development of
the World Energy ”**

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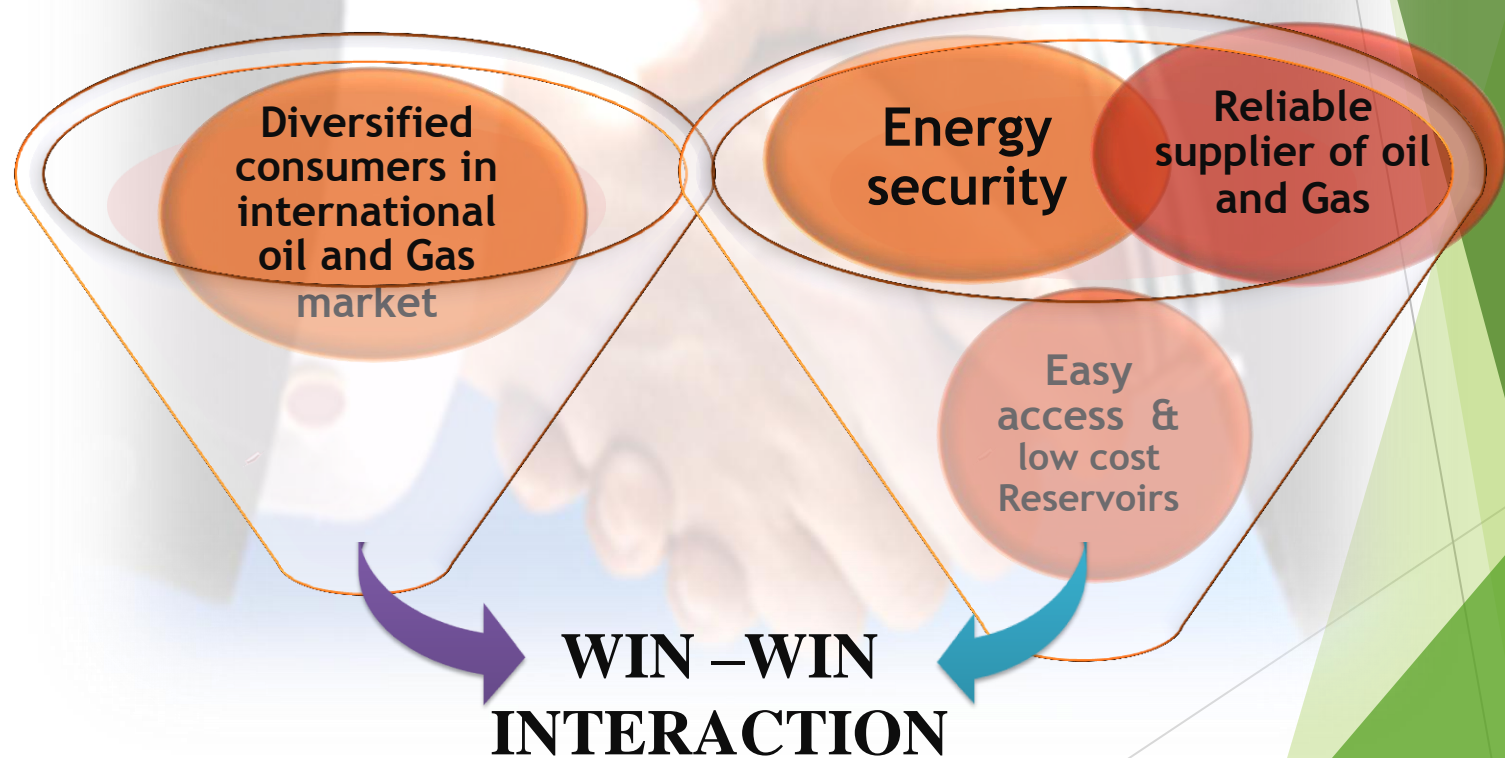
Why Engage in Iran's Oil and Gas Industry?

Iran's Potentials in Oil and Gas



**Iran as a major oil
and gas **supplier**,
seeks:**

**Oil and Gas
consumers, IOCs
or NOCs, seek:**




Iran Strengths and Opportunities



- Geopolitical and Strategic location




- Strategic offshore location due to 1800 km shore in Persian Gulf and Oman Sea



- Suitable and secure transit route due to its borders with 15 countries and access to the free waters



System stability and security



- High potentiality in terms of development capacity and production



- Security of installation and pipelines



- Inexpensive skilled human capital



- Profitability of projects

Certainty in Iranian Economic Environment

- ▶ Economic and political Stability
- ▶ Easy Access to ample supply of oil and gas as feed stocks for power generation, Refineries and Petrochemical plants.
- ▶ competitive price for oil and gas as feed stocks
- ▶ Additional incentive for investment in under-developed regions and particularly in Free Zones.
- ▶ Tax relief for 20 years in Free Zones.

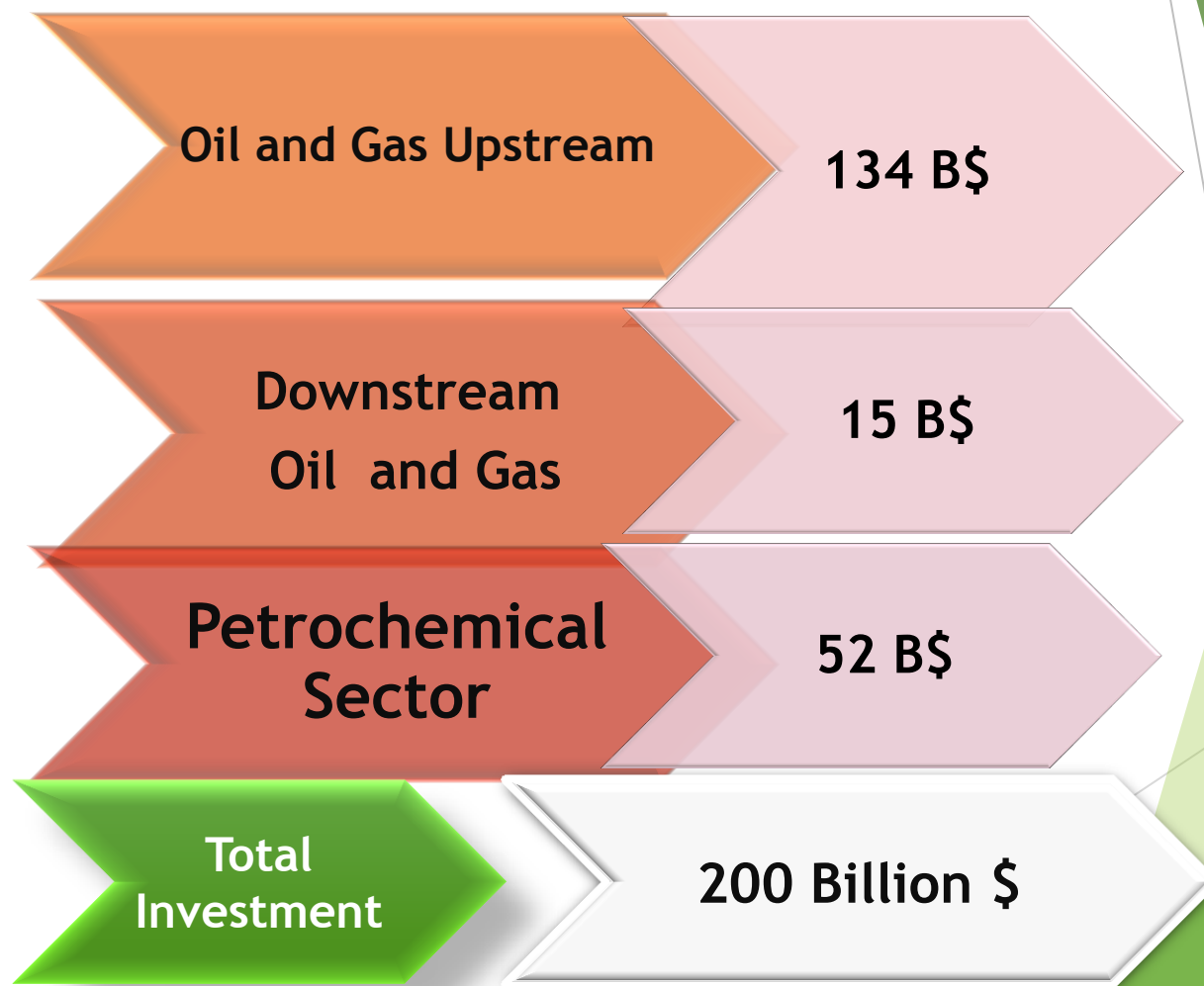
Incentives for investment in Iran

- ▶ Since the 2002 Foreign Investment Promotion and Protection Act, Iran has provided foreign investors with safeguards including:
 - ✓ Equal treatment of investment
 - ✓ Transfer of funds and dividends
 - ✓ Foreign companies are able to own 100 percent of firms in the oil and gas downstream industry
 - ✓ Additional incentive for investment in under-developed regions and economic Free Zones.

Foreign Investment, Promotion and Protection Act (FIPPA)

- ▶ Dividends of foreign investments are transferable abroad.
- ▶ Payments related to the installments of the principal of the financial facilities of foreign investors and relevant expenses, agreements for patent rights, know-how, technical and engineering assistance, trade marks and names, management as well as similar agreements within the framework of the relevant foreign investments, are transferable abroad.

Investments required in Iran's Oil and Gas industry (2016-2020)



Strength of Iranian Oil & Gas Upstream for Investment

Vast and Mostly untapped oil and gas reserves

Skewed relation between hydrocarbon reserves and production; leaving vast opportunities for work over a long period of time.

High quality of engineering industrial base and infrastructure as the hallmark of Iranian oil and gas industries.

Skilled human resources, comparatively inexpensive labor force.

Low cost extraction of Oil and Gas

Major policies and MOP Targets

Major Policies and MOP Targets

Iran 6th Development Plan 2016-2020

- ▶ Diversification of export target markets
- ▶ Increasing the share of gas export up to 10 percent of gas production through pipelines and LNG
- ▶ Increasing swap of crude oil and petroleum products
- ▶ 50% reduction of the associated gas flaring for the purpose of reducing the Emission.
- ▶ 10% reduction in production of high Sulphur Fuel oil in the refineries

Major Policies and MOP Targets

Iran 6th Development Plan 2016-2020

- ▶ Increasing the refining capacity of the country up to 3 million barrels per day
- ▶ Increasing recovery factor in the oil fields at least 1 percent within 5 years.
- ▶ Promoting the crude oil and condensate production capacity up to 5.7 million barrels per day
- ▶ Increasing natural gas production up to 1,300 million cubic meters per day
- ▶ promoting the petrochemical projects by investment of \$ 80 billion within 5 years.
- ▶ Promoting investment in energy efficiency projects for conservation of fossil fuels.

Iran's Post-JCPOA , Business Environment



Transparency



Predictability



Intolerance for corruption



Accountability

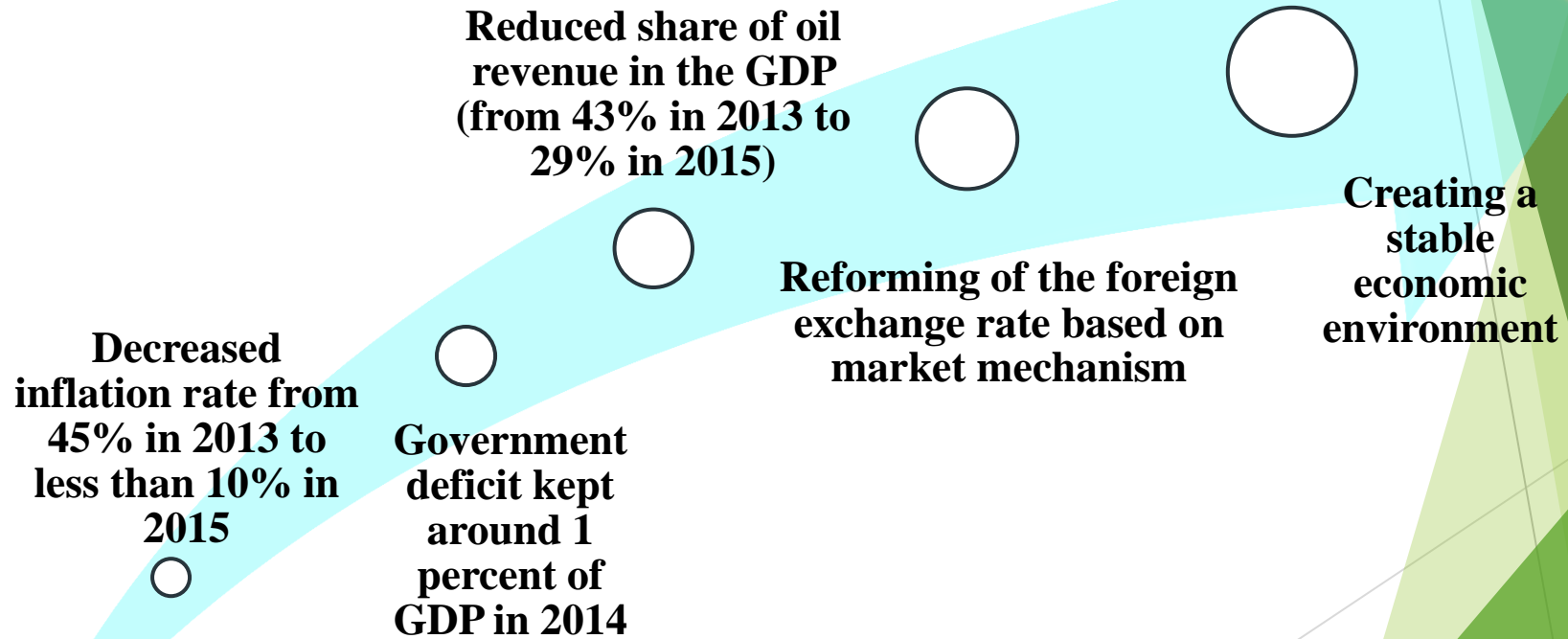


**Hospitable environment for foreign
investment and partnership**

Iran's opportunity to reconnect with the global economy

- ❑ The second largest economy in the Middle East and North Africa (MENA) region.(estimated GDP 393.7 b\$ in 2015)
- ❑ Population of almost 80 million young, urbanized and entrepreneurial.
- ❑ A wealth of natural resources
- ❑ Diversified economy(more than 20 Iranian companies have sales exceeding \$5billion and only six of them are oil and gas firms)
- ❑ Least dependency on crude oil and gas revenues among major Middle Eastern oil- producing countries (29% of Government National Budget.)

Iran to Build an attractive economic environment





Development of petrochemical hubs



how Iran re-integrate into the world economy:

- ❑ Negotiations with many delegations from Russia (Roseneft, Lukoil, Zarubezhneft, Gazprom, Gazpromneft, Tatneft), France, Italy, Germany, China, India, and other countries regarding investment opportunities in Iran, particularly in the oil and gas industry.
- ❑ Serious discussions with Russia, Turkmenistan, Azerbaijan, Iraq to resume Natural Gas, crude oil and petroleum product SWAP, which will be implemented in near future
- ❑ Applying incentives for foreign investors, especially in oil and gas projects.

Iran's Petroleum Ministry's post-sanction priorities

200 billion dollars investment in different upstream and downstream sectors.

Natural Gas production of 1300 MCM per day by 2020

Increasing Crude Oil production of 5.7 MB per day by 2020

Commissioning of LNG plants to increase the share of Gas supply in the international Gas Market.

Russia and Iran:

Towards Sustainable Development of the World Energy

- ▶ Use of transparent and equitable market-based instruments formulated to achieve the global energy security objectives and reduce the environmental impact;
- ▶ Creation of framework to exchange the know-how with regard to environmentally sound energy technologies and efficient use of energy;
- ▶ Market-oriented pricing formula for Natural Gas;
- ▶ Removal of economic and political challenges and uncertainties.
- ▶ Cooperation in terms of supplying Gas in International Gas Market rather than Competition.

Cooperation between Russia and Iran within the Frameworks of International Organizations at the International Markets

GECF:

- ▶ Develop cooperation between countries on various areas such as exploration, development and production in natural gas .
- ▶ To coordinate policies in line with raising the share of natural gas in global energy consumption and promoting the stranding of GECF internationally.

Cooperation between Russia and Iran within the Frameworks of International Organizations at the International Markets

GECF:

- ▶ Promotion of global standing of GECF in energy markets.
- ▶ To devise the right plan for Natural Gas in the future.
- ▶ To enhance the role of Natural Gas in meeting the global energy needs.

Cooperation between Russia and Iran within the Frameworks of International Organizations at the International Markets

- ▶ Russia and Iran can help oil price stability through dialogue among non-OPEC oil producers and OPEC members.
- ▶ To promote investment in exploration, development and production of Iranian oil and gas, particularly in common fields projects.

Cooperation between Russia and Iran within the Frameworks of International Organizations at the International Markets

- ▶ To enhance cooperation in trading of Natural Gas, Crude oil, petroleum and petrochemical products in the International Market.
- ▶ To facilitate the establishment of joint venture between Russian and Iranian companies.
- ▶ To encourage private sectors of Russian and Iranian companies to participate in Energy Sector.

Eurasian Economic Commission (EAEC) and Iran

- ▶ Eurasia Economic Union (EEU) together accounted for more than 180 million people, with an area of 20 million square km.
- ▶ GDP of EEU countries amounted to over four trillion dollars a year.
- ▶ Iran is an important partner for all the EEU member states. Cooperation between the EEU and Iran is an important area of work in strengthening the economic growth and stability of the region.

Eurasian Economic Commission (EAEC) and Iran

- ▶ EEU cooperation with Iran will help all member states to strengthen economic growth through the North-South corridor project.
- ▶ EEU and Iran can use their trade capabilities by reducing custom duties and Tariffs in different areas such as energy, food, chemical and construction materials, exports of engineering services and a number of other spheres.
- ▶ The possibility of launching Free Trade Agreement (FTA) with EEU.

Prospects of the Russia - Iran

Cooperation In Power Generation

- ▶ Cooperation in the field of power generation, clean and renewable energy technologies.
- ▶ Cooperation in the field of energy efficiency in Iran.

A large Iranian flag, featuring three horizontal stripes of red, white, and green with a stylized red emblem in the center, is waving in the foreground. In the background, an offshore oil platform with a blue base and white upper sections is visible on the dark blue sea. A supply vessel with the name 'IDEC' on its side is positioned near the platform. The sky is clear and blue.

Thank You