

## Iran To Raise Crude Refining Capacity.

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NICOSIA - Iran plans to raise its crude oil refining capacity to two million barrels per day, refine its upstream investment model and pursue an aggressive expansion of its share in global gas exports, the Middle East Economic Survey reported yesterday.

The Cyprus-based weekly publication quoted Teheran's Opec Governor Hossein Kazempour Ardebili as saying that faced with rapid growth in national fuel consumption, for the last five years Iran has been optimising its nine oil refineries and ridding them of bottlenecks.

This has lifted the national refining capacity from 1.35 million barrels per day to 1.64 million barrels per day and has laid the ground work for a target two million barrels per day in the short-to-medium-term which has already been budgeted for, he said.

"We now allocate mostly our lighter crudes for our refineries because it (works out) cheaper than importing gasoline," said Kazempour, who is also a director of the National Iranian Oil Company (NIOC).

Iran has also fast-tracked plans for a 240,000 barrels per day condensate refinery to handle production from the giant South Pars gas field, which would be configured to produce a maximum yield of gasoline and gas oil.

Given Iran's own huge import need for gasoline, presently running at 132,000 barrels per day, equivalent to a third of total gasoline consumption, Kazempour said the refinery optimisation and the new condensate refinery were short-term projects that could have an immediate impact on cutting gasoline imports at a low investment cost.

In the longer term, Iran also plans to establish three 120,000 barrels per day refinery trains to handle medium-heavy crude, the MEES report added.

One such plan is a joint venture outside Iran, possibly in Indonesia, for a 120,000 barrels per day refinery that would handle crude from the Soroush/Nowruz fields, with the two remaining trains to be built in Iran.

Kazempour also denied suggestions that the new administration of President Mahmoud Ahmadinejad had changed its gas export plans.

"We are going to expand our market share in gas exports. This is the policy of the new government," he added.

"Our priority for gas exports is to supply our immediate neighbours as much as we can and they are willing to receive," Kazempour said in reference to supply discussions with Sharjah, Dubai and Kuwait.

He said that the next priority was to raise the volume of gas exports to Turkey, to increase gas imports from Turkmenistan, set up gas and power swaps with Armenia and supply gas to Georgia, where initial supplies are expected to ramp up to a maximum 105 million cubic feet daily.

Kazempour said that Teheran is also talking to Ukraine about gas supplies as a possible launch pad to pipeline gas marketing in northern

Europe, going through Turkey and then through a new sub-sea pipeline to Ukraine and on to Europe.

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