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## Iran seeks 10 pct share in Azeri gas field phase - report

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Iran has submitted a \$1.7 billion proposal for developing a part of the second phase of neighbouring Azerbaijan's enormous Shakh-Deniz offshore gas deposit, a semi-official news agency reported on Saturday.

"We are interested in having at least a 10 percent share of the development of the second phase of this field," Hossein Noghrehkar-Shirazi, deputy oil minister for international affairs, told Mehr News Agency.

"Iran has given a \$1.7 billion proposal to Azeri officials for the development of a part of the second phase of the Shakh-Deniz field," he was quoted as saying.

Azerbaijan hosts some of the world's biggest oil and gas developments. It sells output to the domestic market, and neighbouring Georgia and Turkey via the Baku-Tbilisi-Erzurum pipeline.

Its largest gas field, Shakh-Deniz in the Caspian Sea, is co-led by BP and StatoilHydro. Azeri state energy company Socar, Russia's LUKOIL, France's Total and Iranian and Turkish firms are also partners in developing it.

Iran sits atop the world's second-largest natural gas reserves after Russia, but international sanctions imposed on Tehran over its disputed nuclear activities and other issues have slowed development of its own gas exports.

Noghrehkar-Shirazi said Iran, the world's fourth-largest oil producer, also had a 10 percent share in developing the first phase of Shakh-Deniz.

The second, \$10-billion-phase has been estimated to come on stream between 2011 and 2012, but Noghrehkar-Shirazi suggested he expected it would happen later.

"The second phase of the Shakh-Deniz field will go on stream in 2013 and 2014 and currently a lot of countries have asked to buy gas from the Shakh-Deniz consortium and Iran has been placed in the list of those who are interested," he said.

Ex-Soviet Azerbaijan increased its gas output in the first 11 months of 2008 by 42.7 percent to 20.91 billion cubic metres (bcm), the government said last month.

Iran has long sought to promote itself as a transit route for oil and gas from central Asian states but the United States, which has not had diplomatic ties with Tehran since 1980, has been pushing for alternative export channels.

Last winter, Iran suffered natural gas shortages when Turkmenistan halted gas exports of up to 23 million cubic metres a day to the Islamic Republic, citing technical problems. Turkmen exports to Iran resumed in April.

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