World markets trends
&
Iran's Petroleum Investment Plans

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To

Enhancing Global Energy Security through Cooperation and Partnership

Kuwait City , Kuwait

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Introduction

- ***World financial Crises are indigenous factors of free market economies***

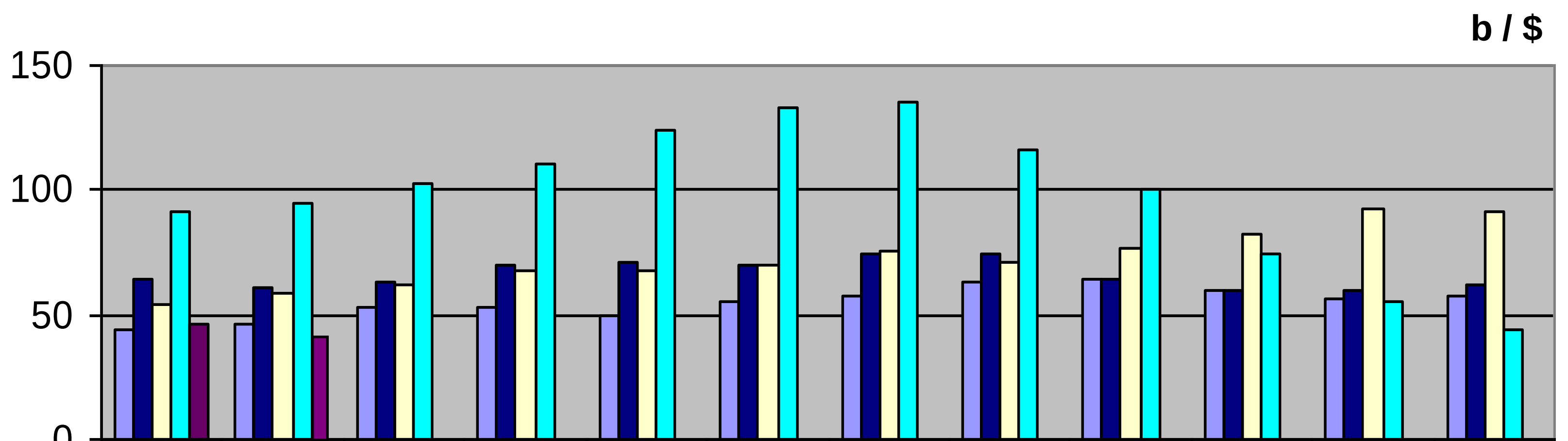
- ***Liberalizations in financial market in 1980,s and 1990,s were the main causes for recent world financial problems***

- ***Regulated markets have hidden and delayed the existence and appearance of the recent crisis***

Results of World Financial Crises On some Markets

- ***Crude Oil***
- ***Petroleum Products***
- ***Natural Gas***
- ***Transportation***
- ***Foreign Exchange***
- ***Interest Rate***
- ***Metals***
- ***Agricultural Products***
- ***Stock Exchange Indices***

ICE-BWAVE
(2005 -2009)



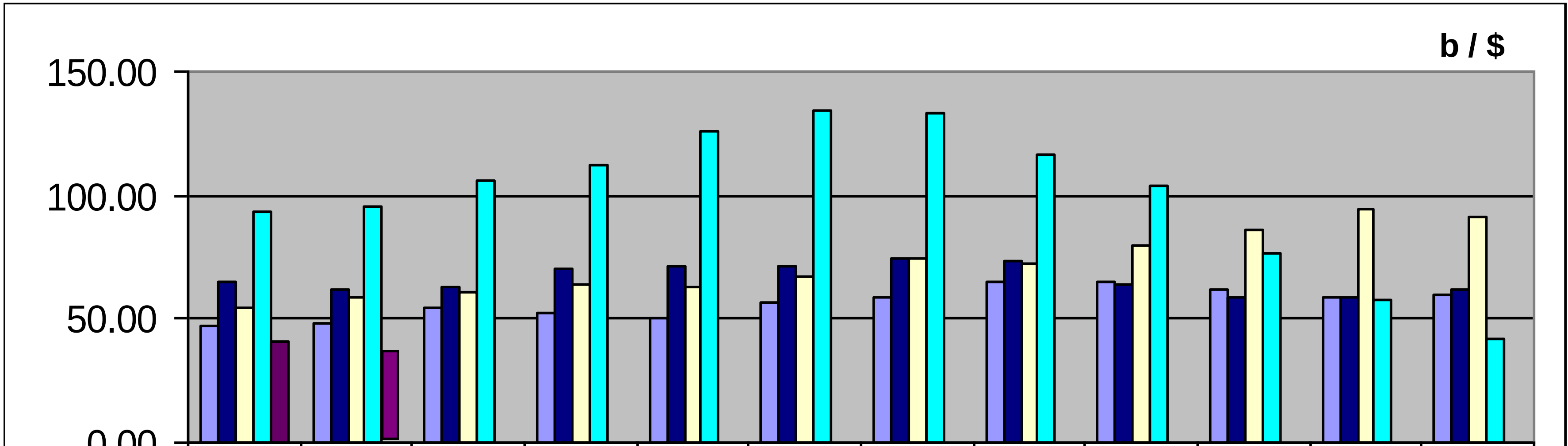
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	44.27	45.79	53.07	53.41	49.76	55.37	57.83	63.71	63.85	59.49	56.25	57.55
2006	63.76	61.42	62.94	70.35	70.9	69.71	74.33	74	63.86	59.96	59.79	62.43
2007	54.62	58.64	62.48	67.62	67.86	70.38	75.63	71.25	76.65	82.09	92.33	91.33
2008	91.90	94.43	102.7	110.1	124.5	133.5	134.9	115.6	100.8	74.21	55.03	43.46
2009	45.66	43.95	46.98									

Min

Max

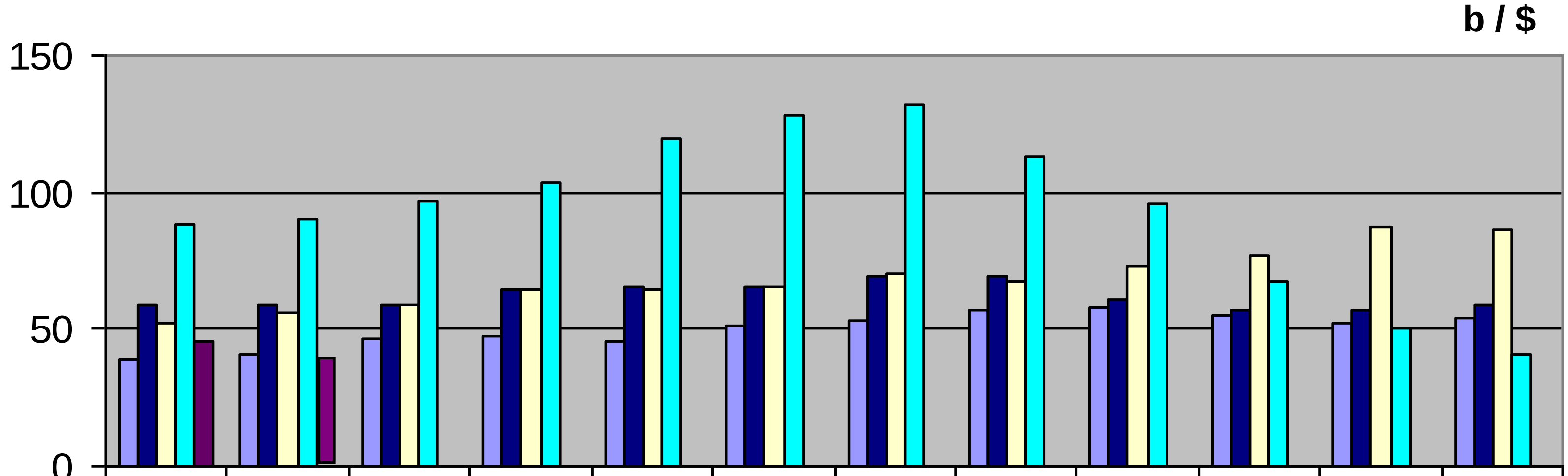
WTI

(2005- 2009)



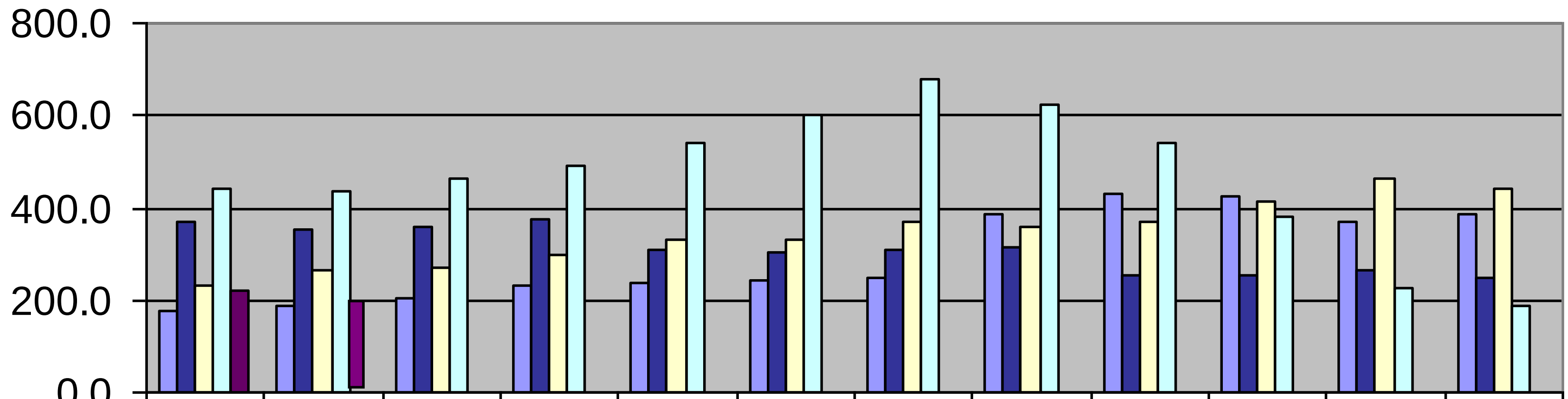
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	46.83	47.73	54.33	52.89	49.84	56.36	58.67	64.96	65.52	62.28	58.27	59.41
2006	65.45	61.57	62.82	69.82	70.87	70.88	74.38	73.01	63.74	58.82	59.03	61.96
2007	54.14	59.20	60.62	63.84	63.40	67.44	74.10	72.36	79.98	85.87	94.74	91.36
2008	92.98	95.39	105.45	112.63	125.38	133.93	133.30	116.58	103.61	76.62	57.41	41.45
2009	41.55	39.16	47.84									

(OMAN + DUBAI) / 2
(2005- 2009)



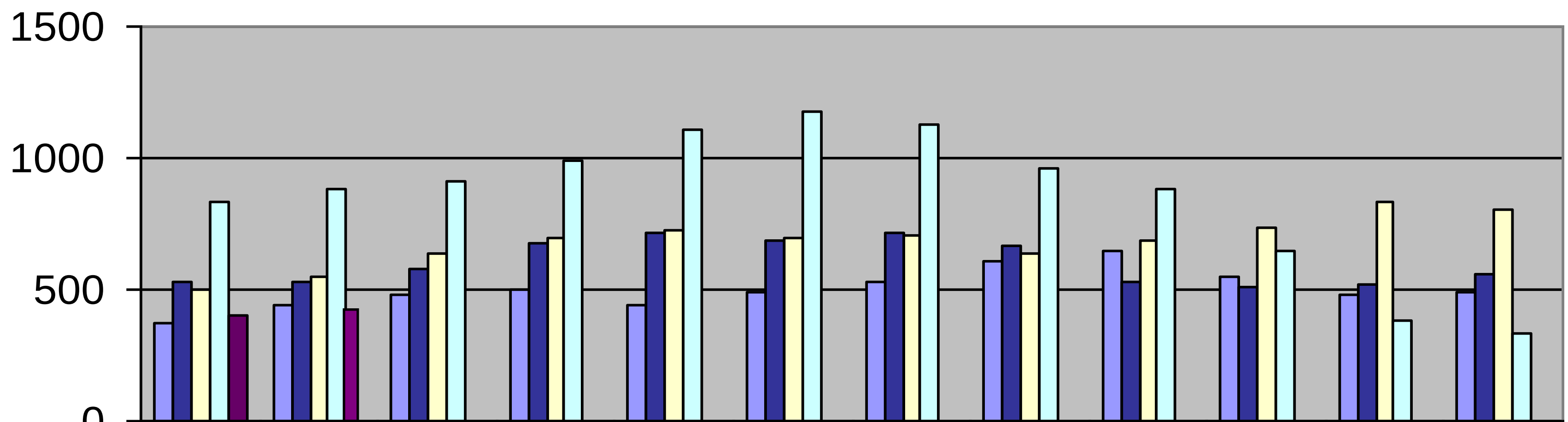
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	38.56	40.47	46.53	47.7	45.9	51.52	53.15	57.06	57.45	54.6	51.96	53.7
2006	58.85	58.91	58.5	64.84	65.65	65.69	69.69	69.37	60.41	56.9	57.04	59.01
2007	51.91	55.86	58.99	64.21	64.83	65.93	69.79	67.86	73.46	77.34	86.97	86.01
2008	87.96	90.35	97.31	103.8	119.7	128.1	132	113.1	96.02	67.69	49.94	40.76
2009	44.29	43.31	45.53									

Fuel Oil Prices in USA (2005- 2009)



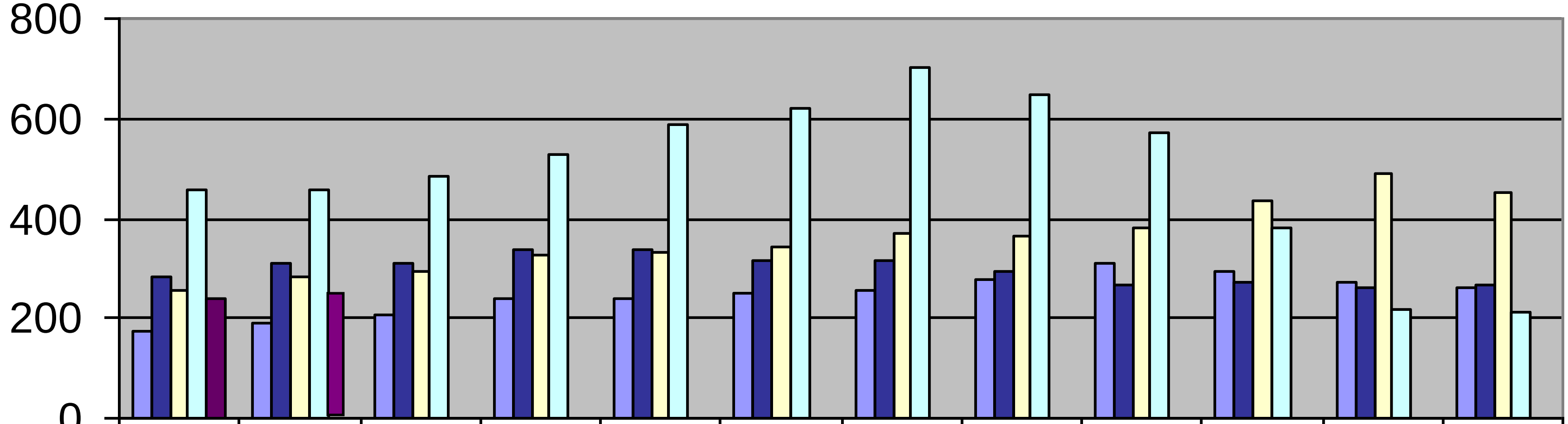
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	176.1	186.5	205.3	230.0	236.8	244.0	245.8	388.0	430.5	424.1	371.9	387.8
2006	368	353	357	376	311	303	311	316	255	256	264	250
2007	231	264	271	300	333	333	367	359	372	414	462	442
2008	442	436	466	492	541	603	681	622	541	378	227	188
2009	243	240	240									

Premium Gasoline Prices in Persian Gulf (2005- 2009)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	375	438	482	503	441	490	533	603	648	548	484	491
2006	528	525	577	676	716	685	711	667	530	509	524	560
2007	498	551	635	694	730	697	704	635	683	738	838	807
2008	830	878	914	988	1103	1174	1128	957	880	646	387	330
2009	432	477	445									

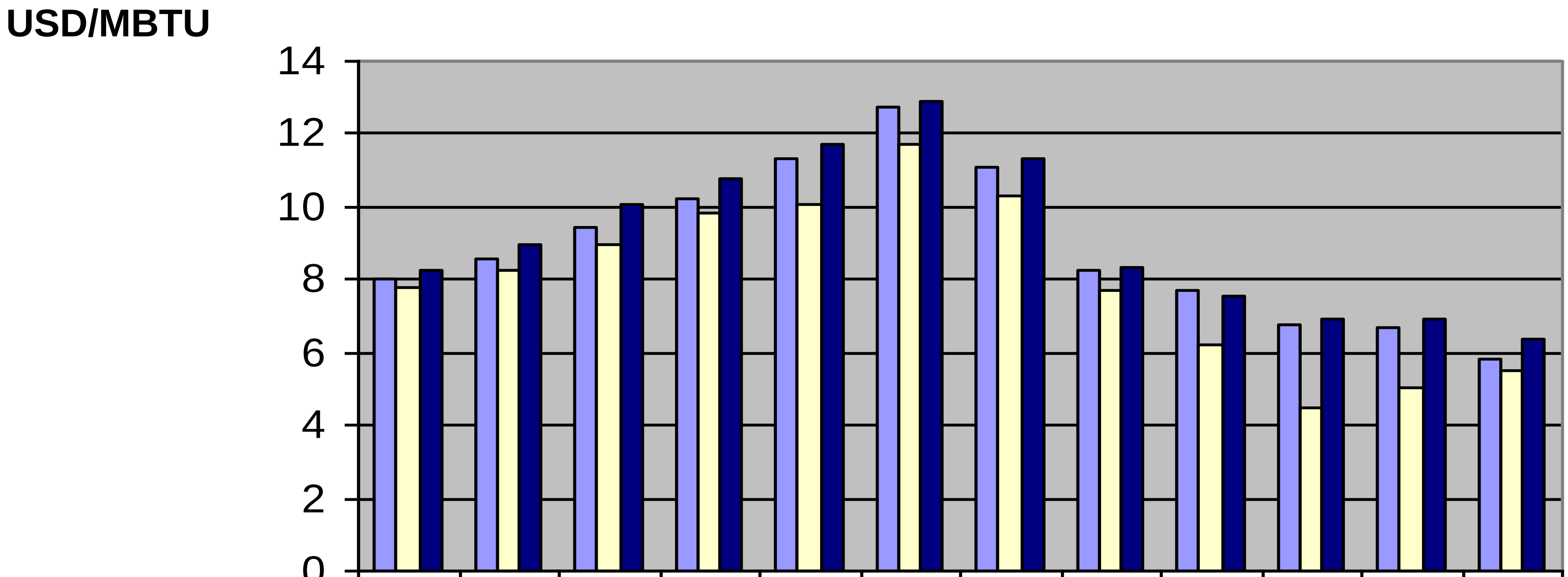
Fuel Oil Prices in Persian Gulf
2005-2009
(180 CST)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	174	189	205	239	240	250	257	277	309	293	269	260
2006	282	311	311	339	338	316	317	295	267	270	259	265
2007	255	283	296	327	331	345	372	365	383	433	489	453
2008	456	459	487	526	587	620	700	649	570	382	215	211
2009	243	246	233									

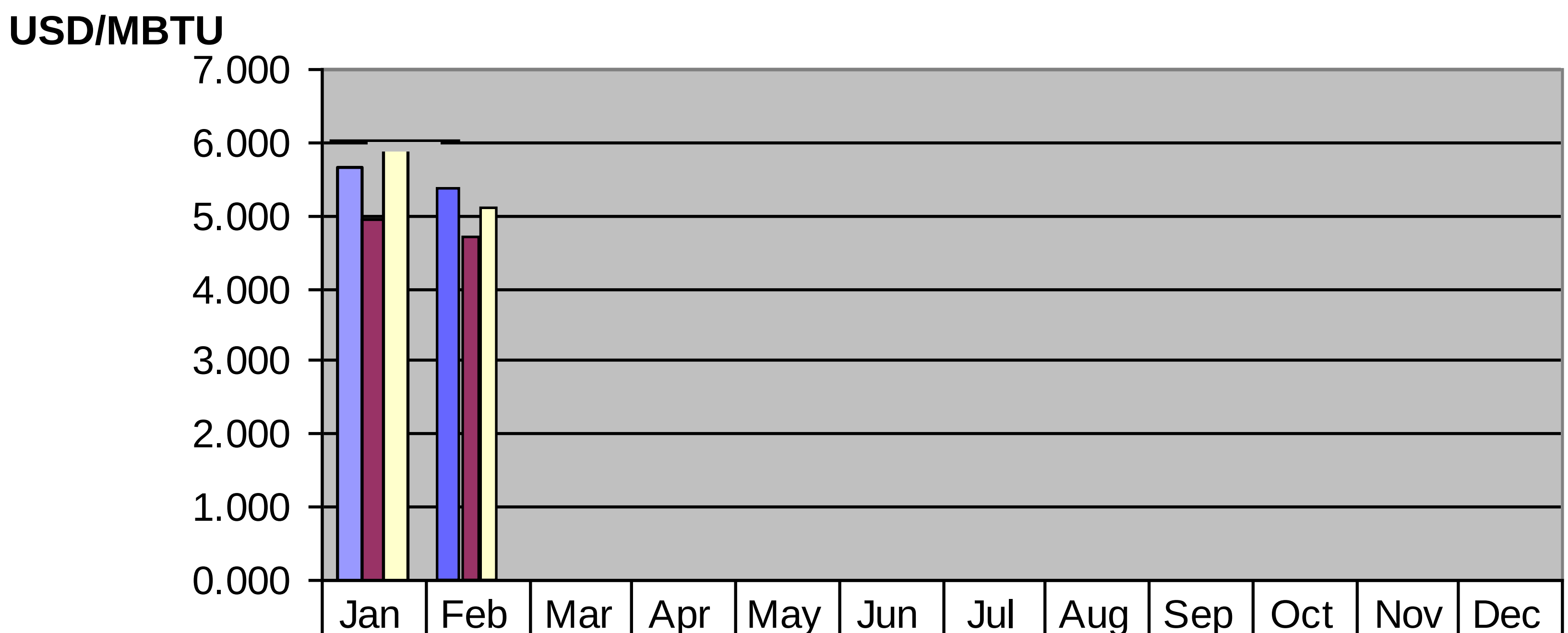
Natural Gas Prices in 2008

Henry-Hub, South California and Toronto



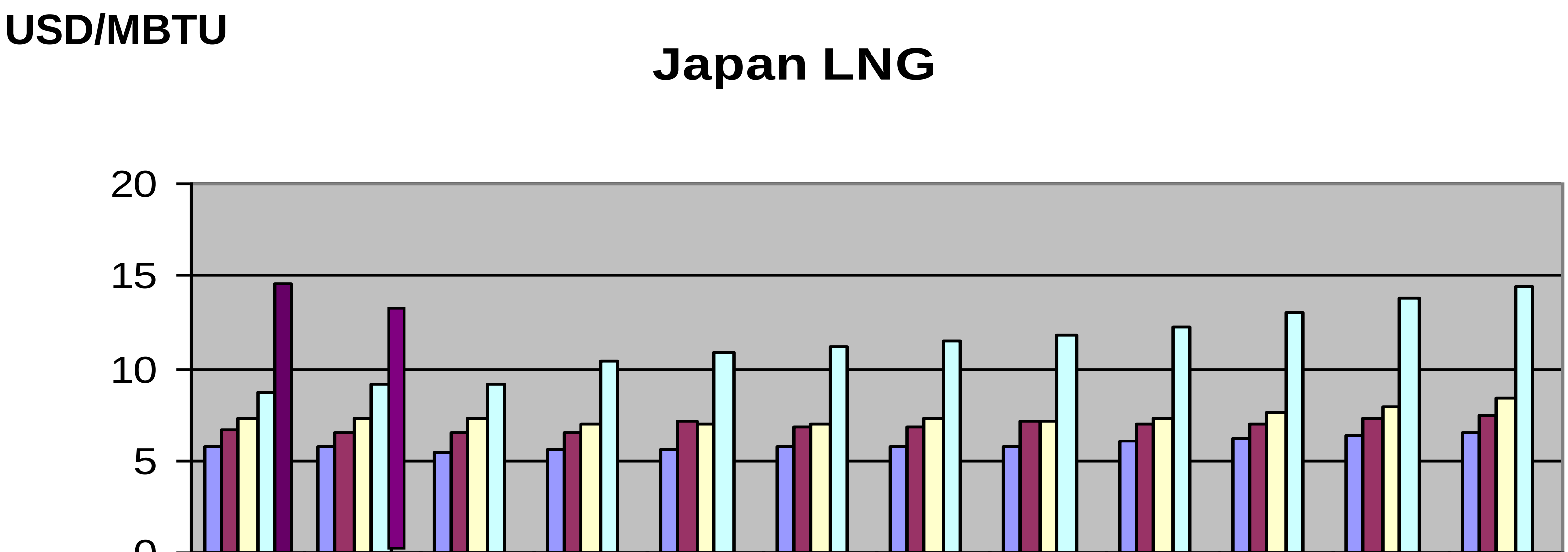
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
HENRY-HUB	8.01	8.56	9.43	10.2	11.3	12.7	11.1	8.28	7.7	6.76	6.72	5.85
S.CALIFORNIA	7.75	8.26	8.96	9.85	10	11.7	10.3	7.68	6.19	4.51	5.04	5.49
TORONTO	8.25	8.99	10.1	10.8	11.8	12.9	11.3	8.36	7.55	6.93	6.93	6.35

Natural Gas Prices in 2009
Henry-Hub, South California and Toronto



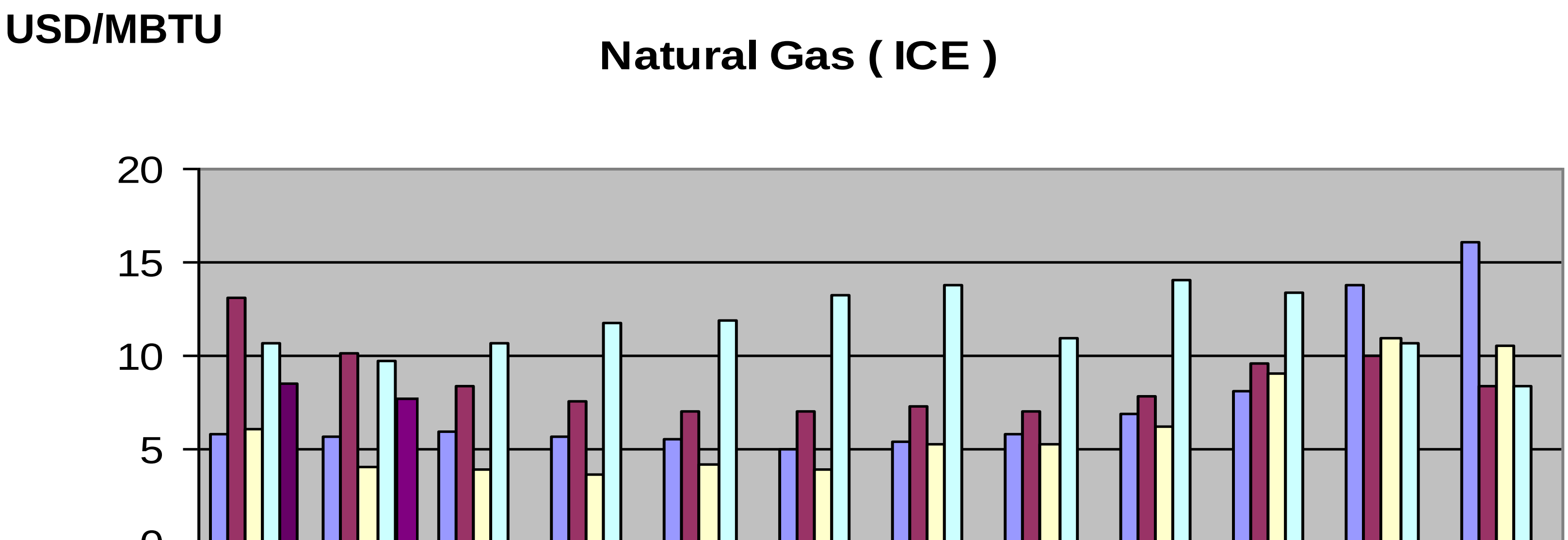
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
HENRY-HUB	5.27	4.54	4.09									
S.CALIFORNIA	4.47	3.74	3.32									
TORONTO	5.33	5.00	4.41									

LNG Prices for Japan
(2005- 2009)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	5.67	5.72	5.44	5.59	5.61	5.67	5.75	5.71	6.04	6.22	6.35	6.51
2006	6.63	6.54	6.52	6.56	7.09	6.88	6.88	7.08	6.94	6.93	7.34	7.42
2007	7.24	7.29	7.29	6.99	6.91	7.02	7.25	7.19	7.24	7.58	7.84	8.4
2008	8.63	9.18	9.22	10.4	10.9	11.1	11.5	11.7	12.3	13	13.9	14.5
2009	14.73	13.85	12.97									

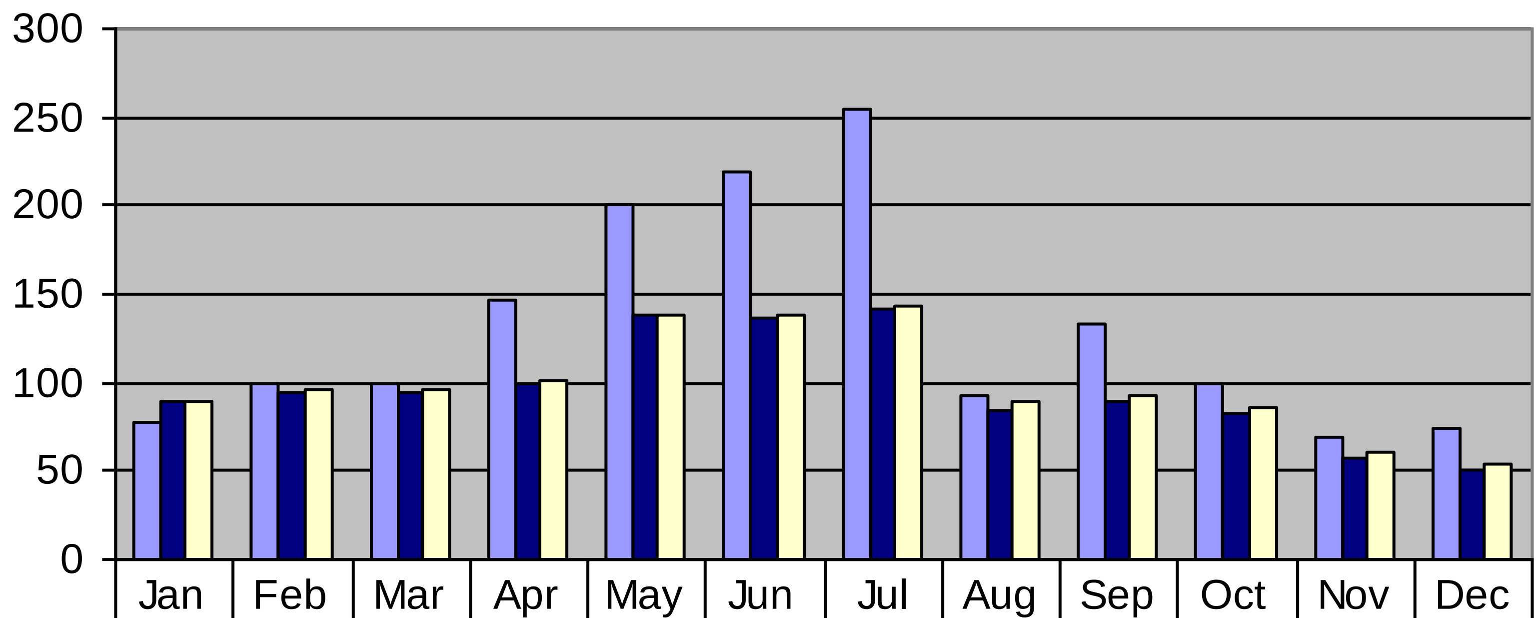
Natural Gas Prices- ICE (2005-2009)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	5.78	5.72	5.94	5.68	5.6	5.04	5.35	5.82	6.94	8.13	13.8	16
2006	13.1	10.1	8.41	7.52	6.98	7.09	7.36	7.01	7.85	9.66	10	8.44
2007	6.09	4.04	3.96	3.62	4.22	3.89	5.33	5.24	6.16	9.09	10.9	10.6
2008	10.7	9.75	10.7	11.7	11.9	13.2	13.8	11	14	13.3	10.7	8.44
2009	8.32	7.81	4.7									

Tanker Rate in 2008

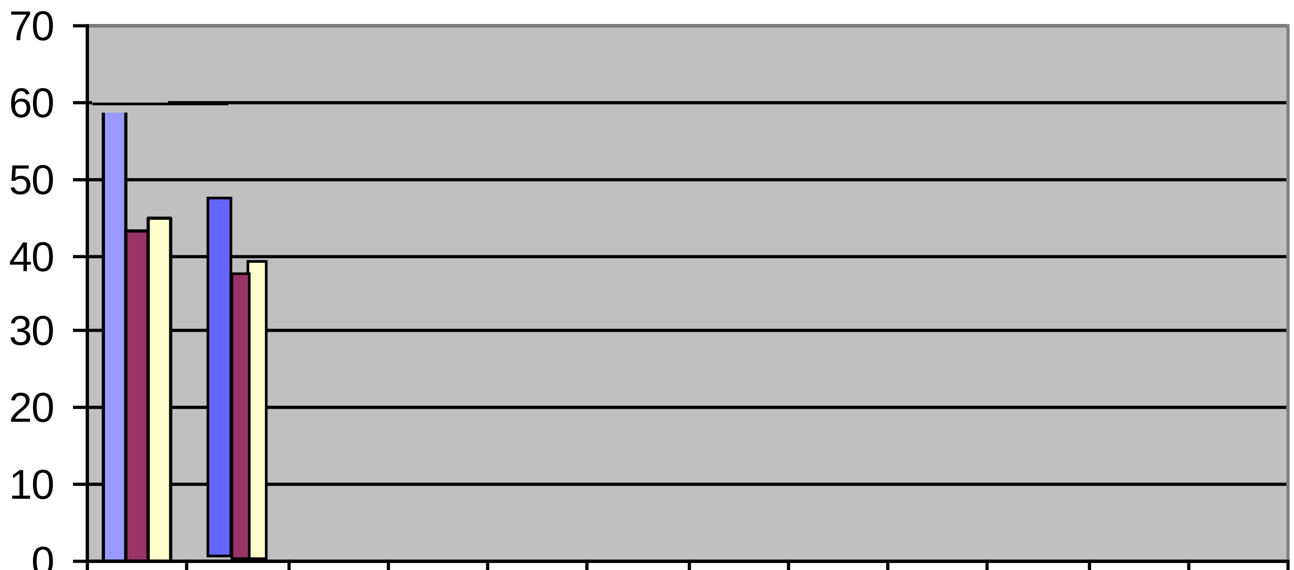
260 KT from PG to:



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
S.KOREA	78	99	100	147	200	219	255	93	133	99	69	75
USG (260)	89	94	94	100	138	136	141	85	90	83	57	51
UKC	89	96	96	101	138	139	144	89	92	86	60	54

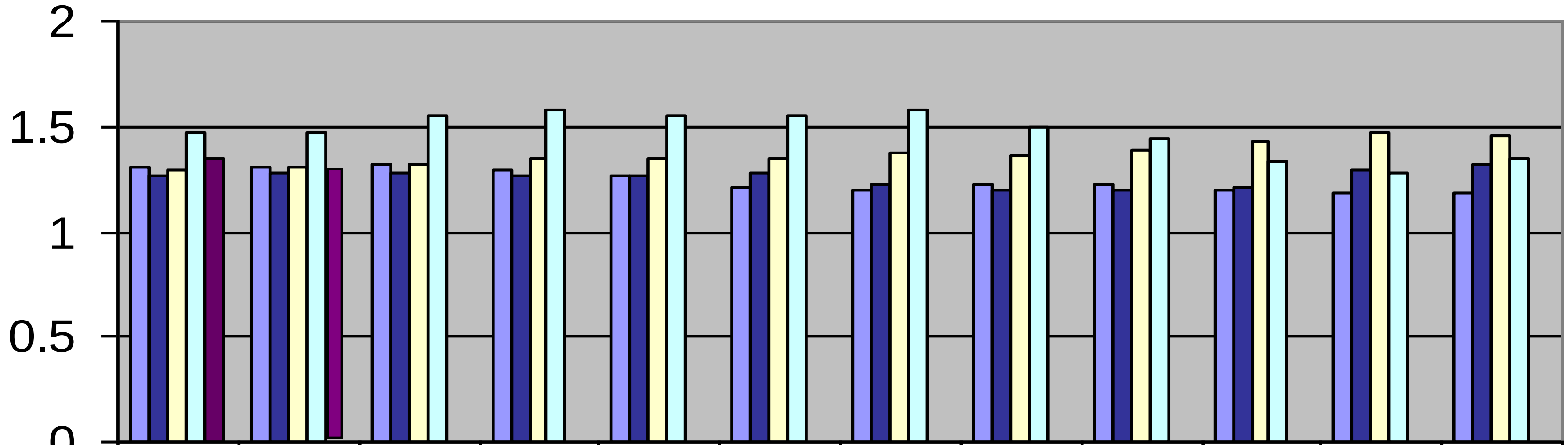
Tanker Rate in 2009

260 KT from PG to:



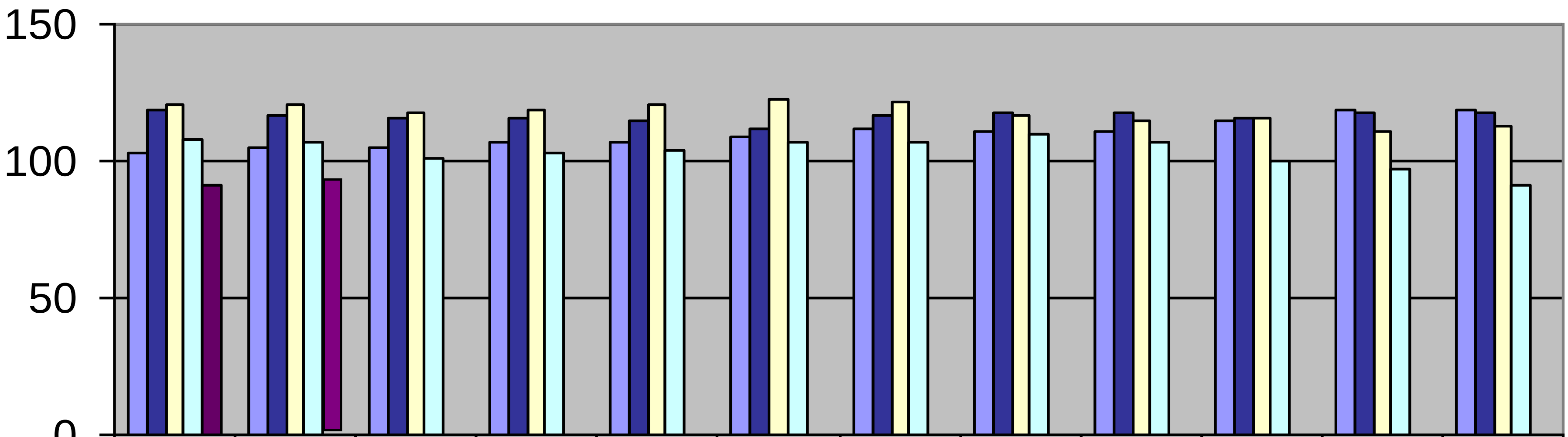
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
S.KOREA	59	46	39									
USG (260)	42	36	31									
UKC	44	39	34									

EUR / DLR(2005-2009)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	1.31	1.3	1.32	1.29	1.27	1.22	1.2	1.23	1.23	1.2	1.18	1.19
2006	1.26	1.27	1.28	1.27	1.27	1.27	1.23	1.2	1.19	1.21	1.29	1.32
2007	1.3	1.31	1.32	1.35	1.35	1.34	1.37	1.36	1.39	1.42	1.47	1.46
2008	1.47	1.48	1.55	1.58	1.56	1.56	1.58	1.5	1.44	1.33	1.27	1.35
2009	**1.32**4	**1.28**	1.30									

DLR / YEN(2005-2009)

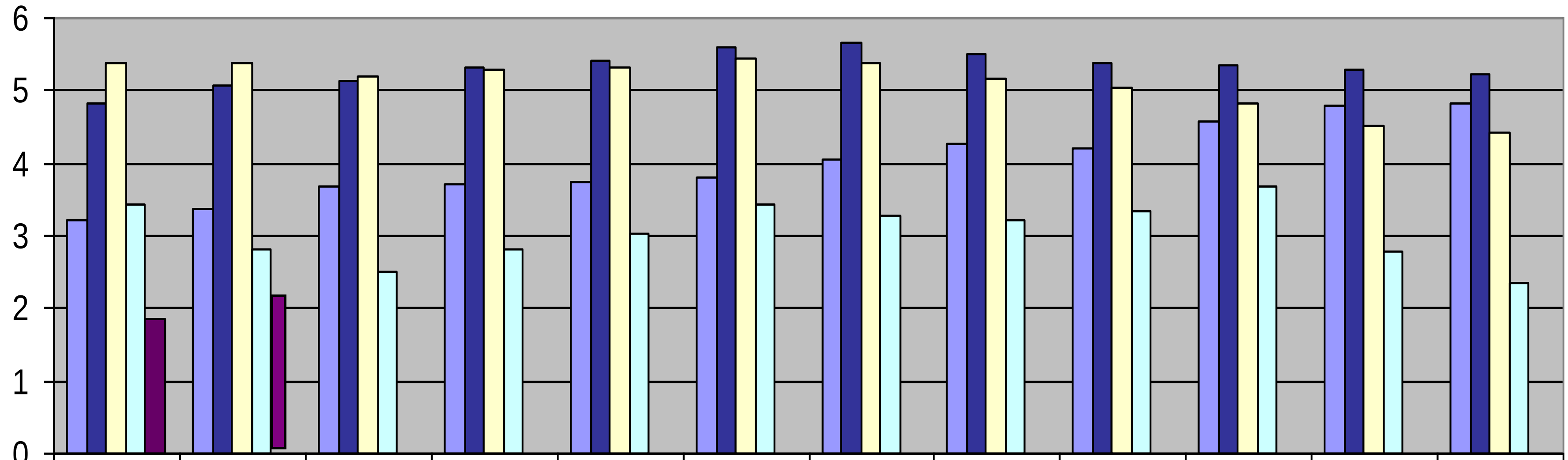


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	103.3	105	105.2	107.2	106.7	108.7	111.9	110.6	111.1	114.9	118.5	118.3
2006	118.6	117.1	115.9	115.7	114.7	111.8	117	117.3	117.8	115.5	117.3	117.2
2007	120.5	120.5	117.3	118.9	120.8	122.7	121.5	116.7	115	116	111	112.3
2008	107.8	107.1	100.7	102.7	104.3	106.9	106.9	109.4	106.6	100.1	96.85	91.24
2009	90.20	92.89	98.03									

LIBOR CITIBANK

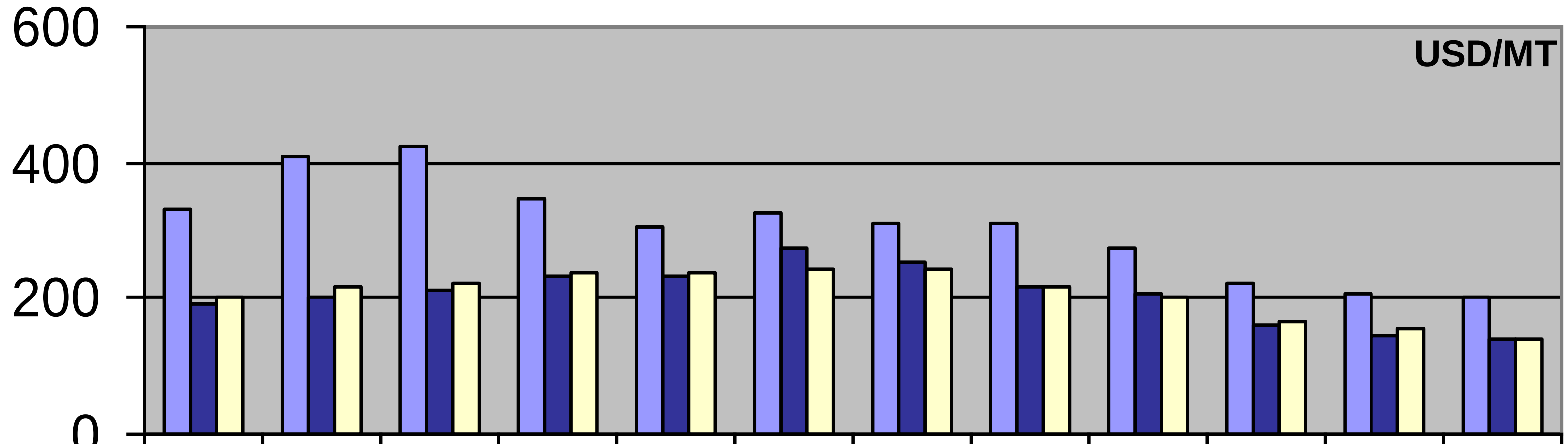
(Annual %)

2005-2009



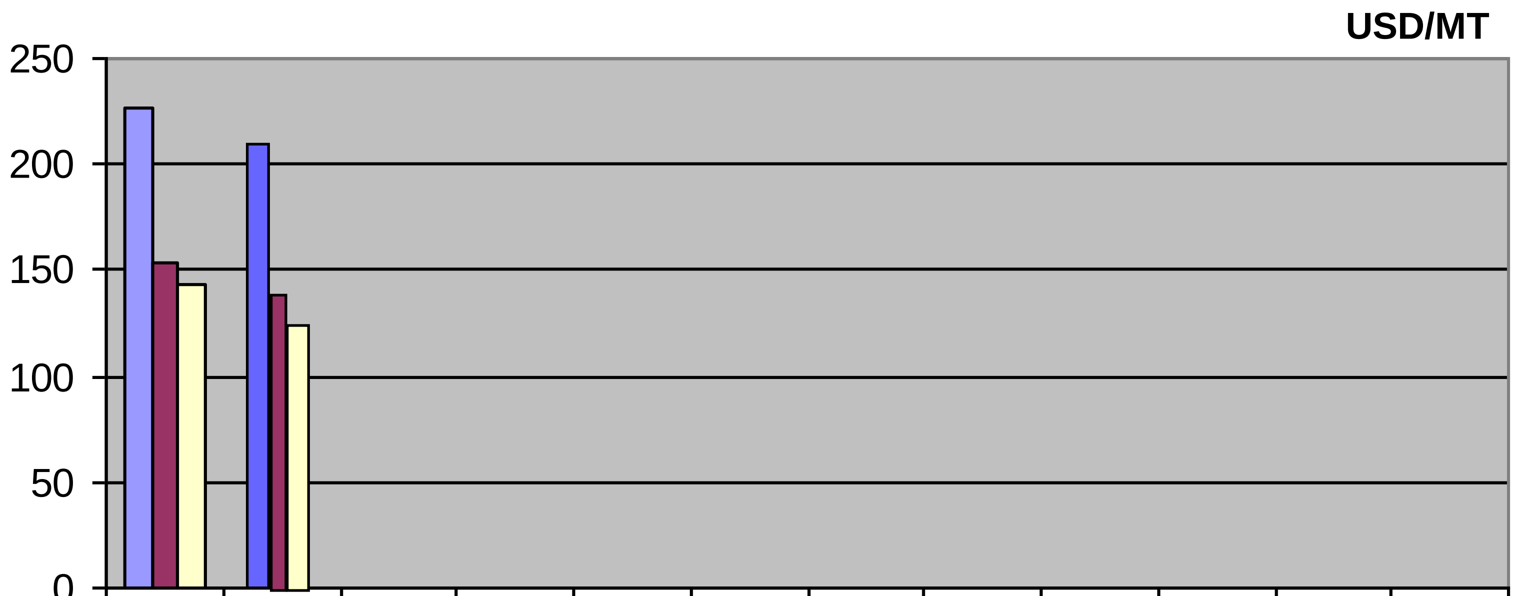
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	3.22	3.38	3.69	3.72	3.75	3.81	4.04	4.27	4.21	4.57	4.78	4.83
2006	4.84	5.08	5.14	5.33	5.4	5.59	5.66	5.5	5.38	5.36	5.3	5.24
2007	5.37	5.38	5.2	5.28	5.33	5.45	5.38	5.18	5.03	4.83	4.51	4.42
2008	3.44	2.8	2.5	2.82	3.03	3.42	3.27	3.22	3.34	3.68	2.79	2.34
2009	1.88	2.04	2.14									

Grain prices
2008



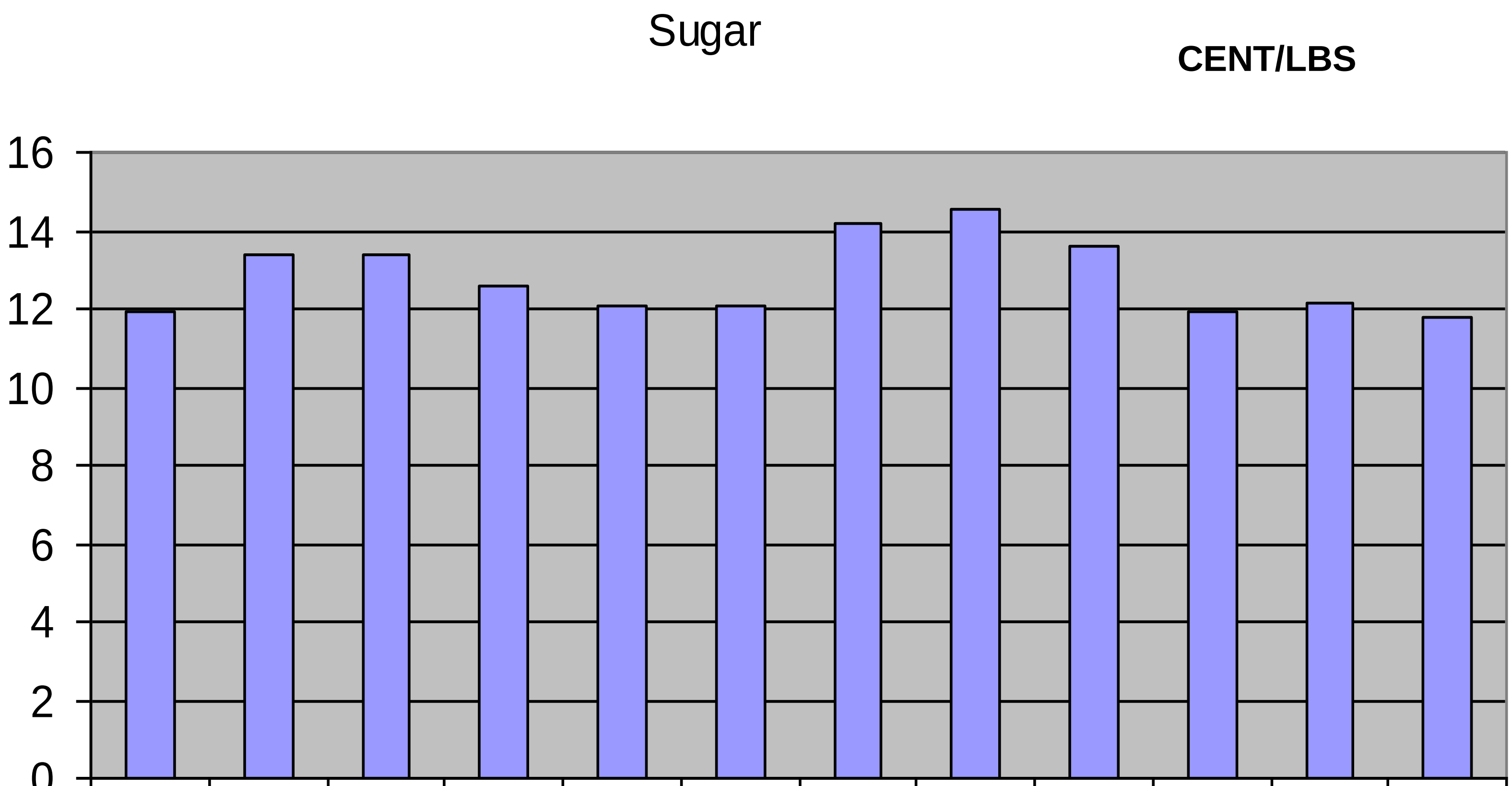
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Wheat	333	409	426	345	306	325	308	312	276	221	208	202
Corn	189	200	213	232	234	275	253	215	209	160	146	139
Barley	199	215	222	239	236	245	243	215	200	168	158	138

Grain prices
2009



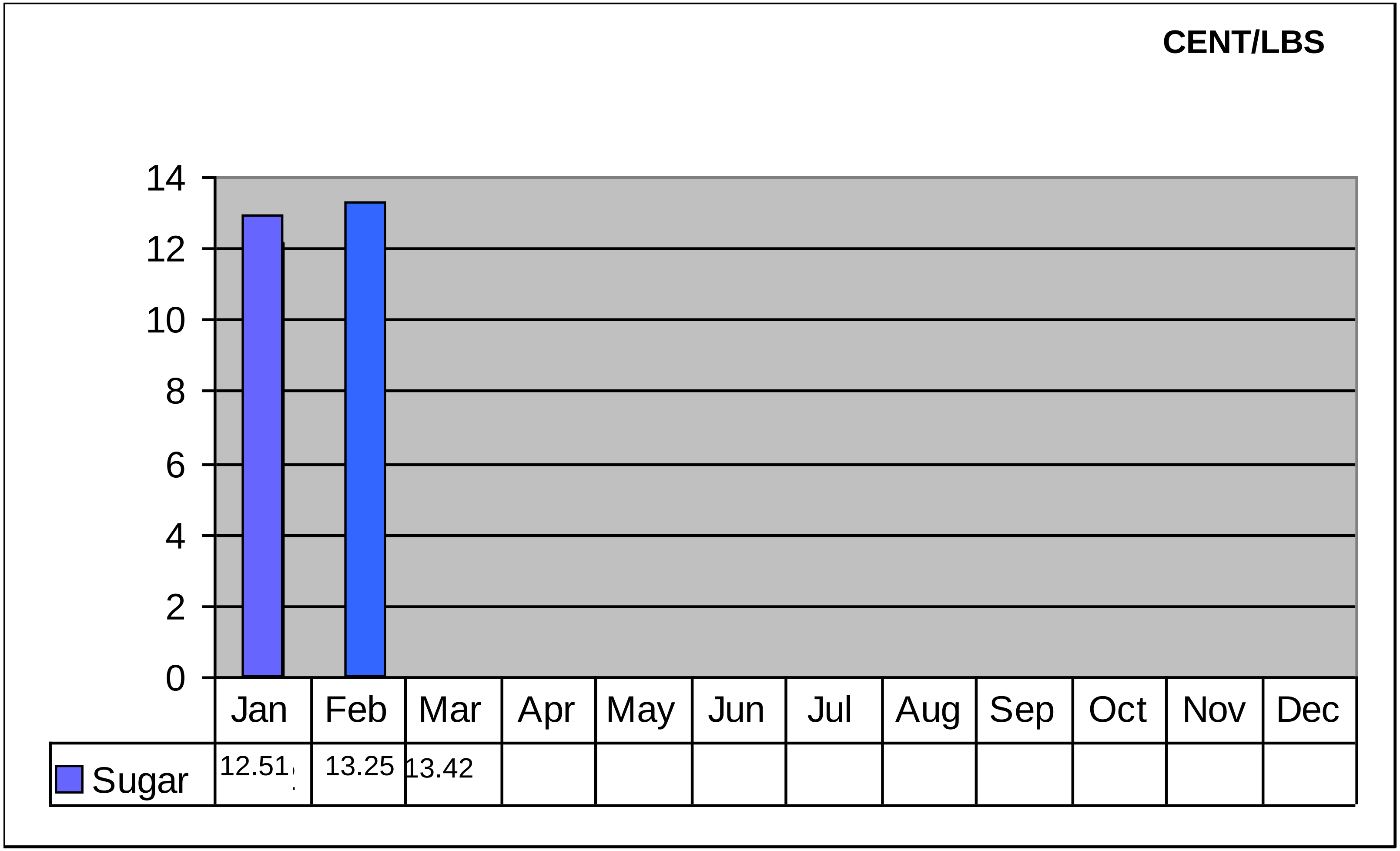
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Wheat	223.68	208.89	209.62									
Corn	151.14	142.01	145.76									
Barley	142.56	139.00	140.30									

Sugar Prices
2008

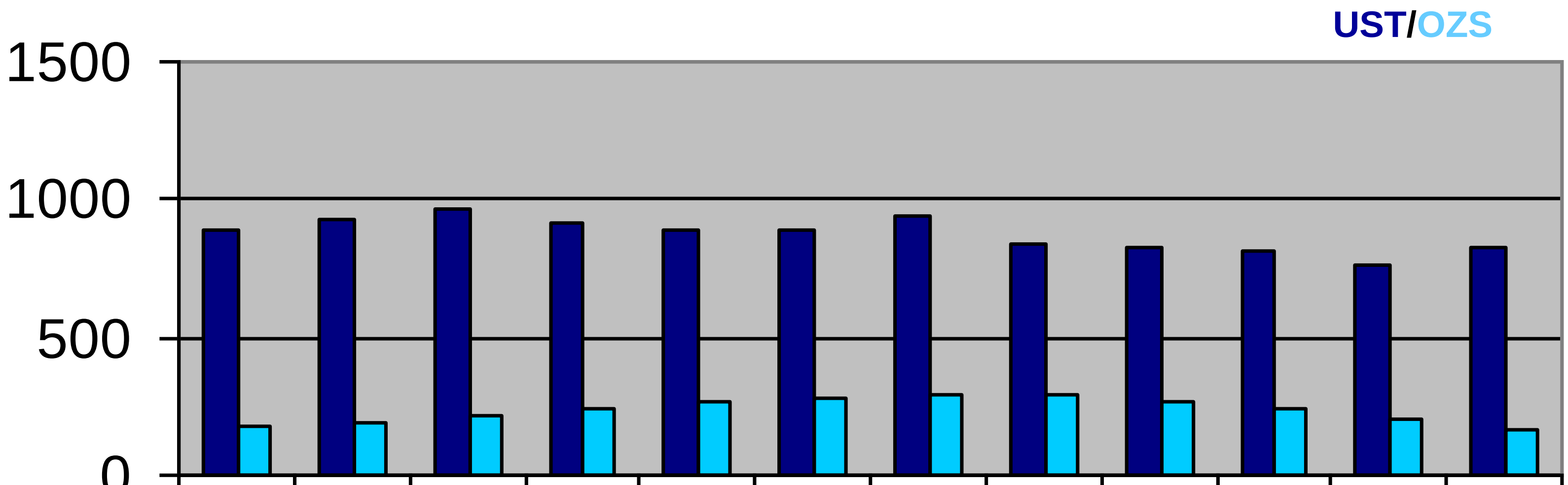


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sugar	12	13.4	13.4	12.6	12.1	12	14.2	14.6	13.6	11.9	12.1	11.8

Sugar Prices
2009

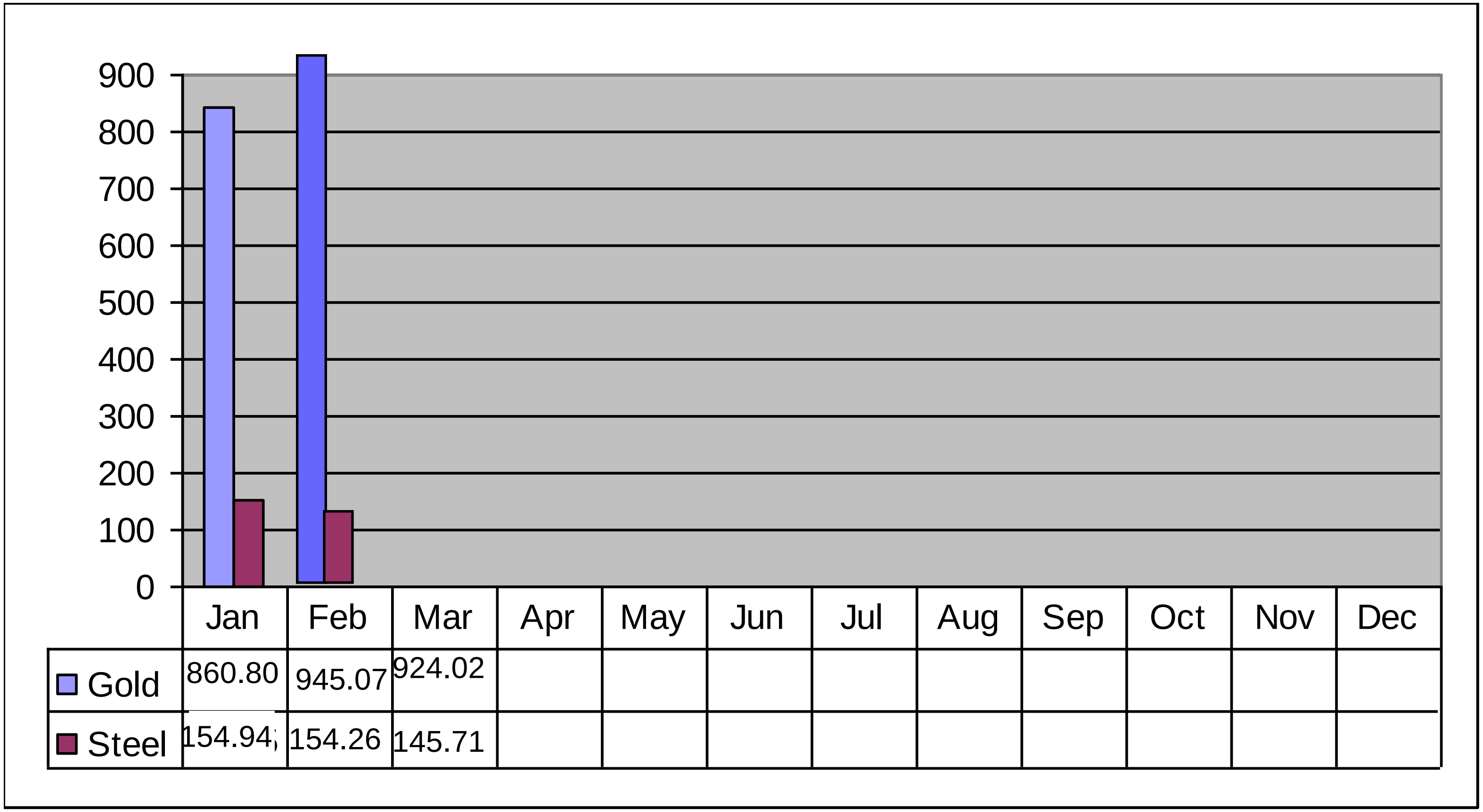


Gold and Steel Prices 2008

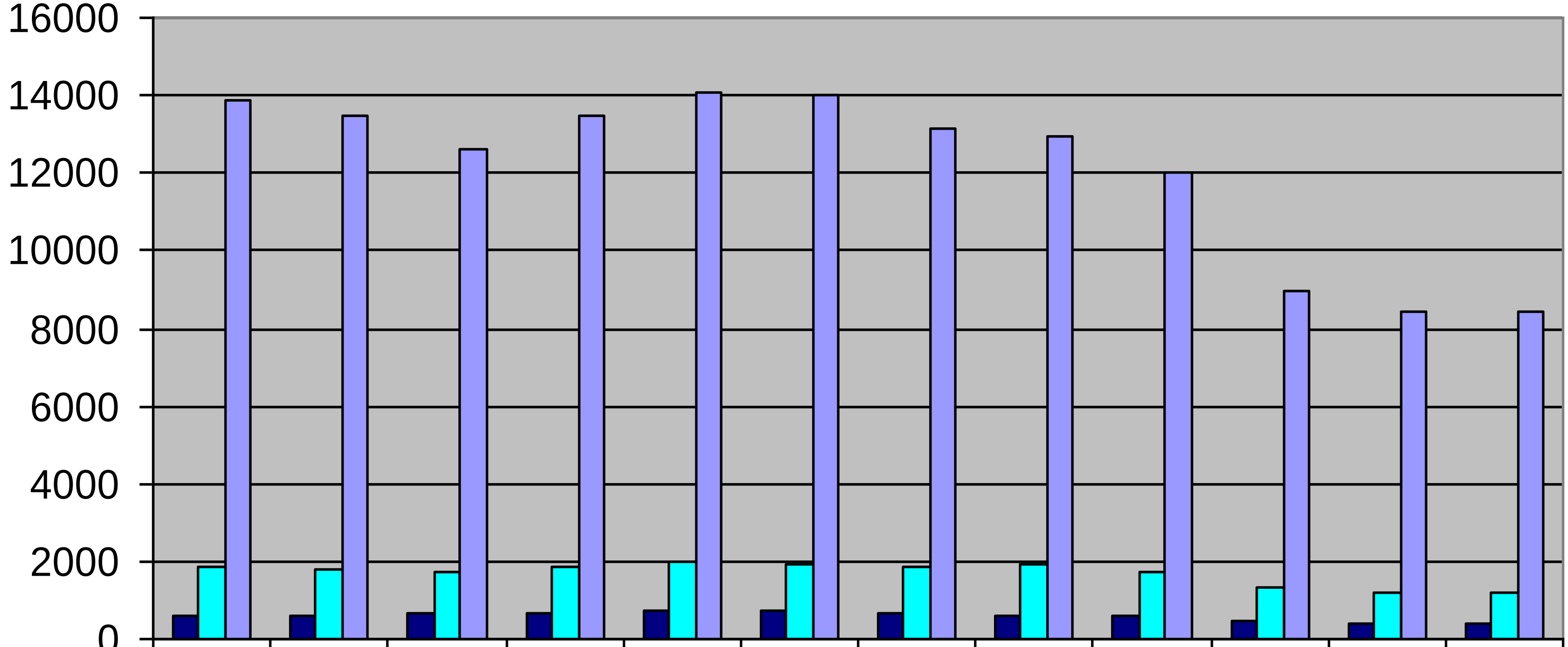


	Jan	Fe	Ma	Apr	Ma	Jun	Jul	Au	Se	Oct	No	De
Gold	892	925	969	912	890	892	942	841	832	811	763	822
Steel	179	194	216	236	264	279	290	288	273	244	197	162

Gold and Steel Prices 2009

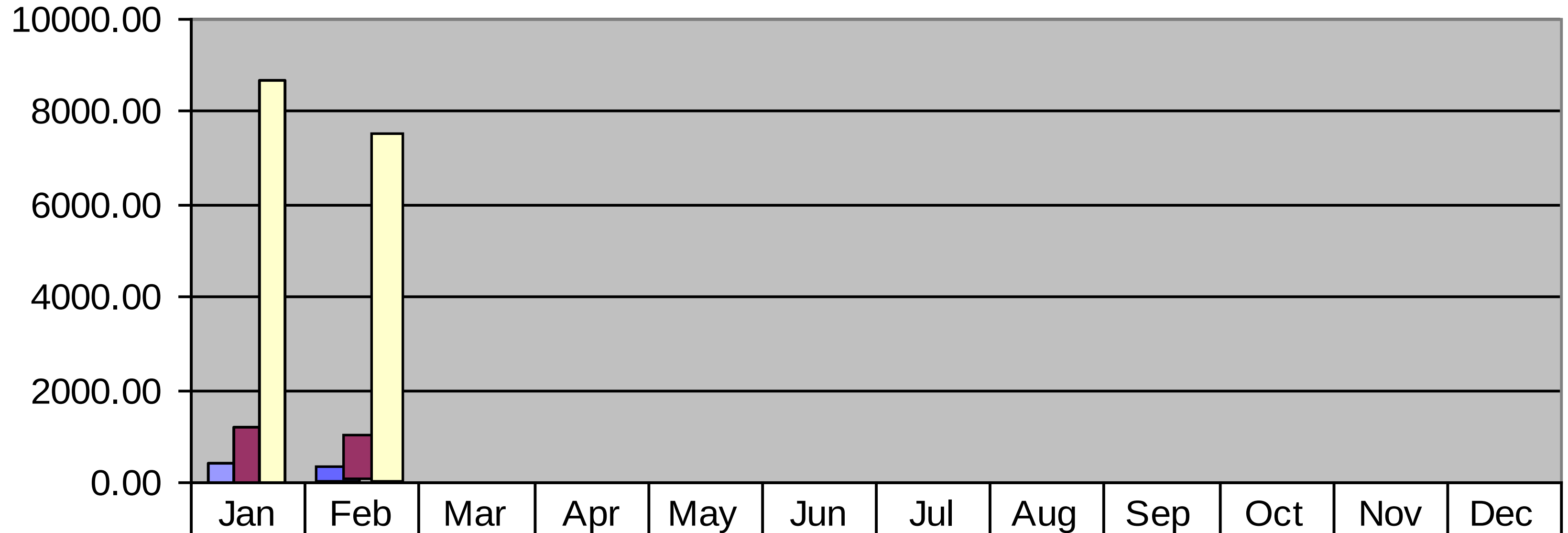


DOW-JONES & NASDAQ & NIKKIE (2008)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
DOW_JONES	628.9	626.1	634.9	688.4	728	735	678.7	625.4	582	437.3	428.5	417.6
NASDAQ	1884	1785	1748	1867	1990	1942	1829	1902	1714	1328	1200	1185
NIKKIE	13865	13504	12608	13448	14044	14039	13113	12963	12048	8971	8427	8428

DOW-JONES & NASDAQ & NIKKIE (2009)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
DOW_JONES	428.07	404.78	371.10									
NASDAQ	1206.84	1198.98	1146.17									
NIKKIE	8330	7705	7669.63									

GDP Growth 2002-2009 (%)

2002	2003	2004	2005	2006	2007	2008	2009
2.9	3.9	5.1	4.8	5.4	4.9	3.6	0.4

Oil Demand Trend 2002-2009

Mmb/d

2002	2003	2004	2005	2006	2007	2008	2009
77.8	79.4	82.5	83.9	84.9	85.9	85.9	85.2

OPEC Supply Trend 2002-2009

Mmb/d

2002	2003	2004	2005	2006	2007	2008	2009
26.2	28.3	30.6	31.6	31.4	31	31.9	29

Investment Opportunities in Iranian Petroleum Industry

Investment priorities in oil and gas upstream projects

- **Joint oil & gas fields with the neighbors**
- **Brown oil & gas fields:**
  - **Production capacity maintenance**
  - **Enhanced development**
  - **Secondary oil recovery (gas &/ water injection)**
- **Green oil & gas fields**

NIOC Oil and Gas Investment Plans
(2009-2014)

Buy Back oil projects	**$ 34.58 B**
Buy Back gas projects & consumption optimization	**$ 47.92 B**
Finance	**$ 18.40 B**
Sub total	**$ 100.9 B**
Internal financial sources (NIOC own investment)	**$ 130.77 B**
Grand total	**$ 231.68 B**

Development Plans of Oil and Gas (2005 – 2024)(1)

Exploration:

- ***Exploration of new oil fields : 500 million barrels/year***
- ***Exploration of new gas fields : 150 BCM/year***

* *exploration and development of 17 new blocks (12 onshore and 5 offshore)*

Production of Oil and Gas:

Onshore Fields:

Oil

- ***Development of 28 oil fields***
- ***Development of possible gas fields from new exploration activities (onshore)***

Gas

- ***Development of 14 gas fields***
- ***Development of gas formations of more than 10 oil fields***
- ***Development of possible gas fields from new exploration activities (onshore)***

Development Plans of Oil and Gas (2005 – 2024)(2)

Production of Oil and Gas

Offshore Fields:

Oil

- ***Development of 7 oil fields***
- ***Development of possible oil fields from exploration blocks***
- ***Development and gas injection in two oil field***

Gas

- ***Development of 15 gas fields***
- ***Development of at least 16 new standard phases of South Pars gas field***
- ***Development of possible gas fields from exploration activities (offshore)***

Technological Challenges in Oil & Gas Upstream

- **Deep – water oil fields (e.g. Caspian Sea)**
- **Non- conventional oil fields (e.g. Ferdowsi oil field)**
- **Very heavy oil fields (e.g. Yadavaran)**
- **Transfer of new technologies**

Gas Export Projects by Pipeline (2005 – 2024) (1)

Country	*Max. Delivery (mmcm/d)*	*Start Year*
Turkey	**27.4**	**2001**
Armenia	**4**	**2007**
United Arab Emirates	**12.3**	**-**
Kuwait	**8.6**	**2011**
Oman	**28**	**2011**
Bahrain	**28**	**2012**

Gas Export Projects by Pipeline (2009 - 2024) (2)

Country	*Max. Delivery (mmcm/d)*	*Start Year*
Pakistan	**30**	**2014**
India	**30**	
Syria	**2.3**	**2010**
Europe	**50**	**2010**

Liquefied Natural Gas projects (2009-2024)

- ***IRAN-LNG:*** *Capacity 10.7 MMt/y(54 mmcm/d)*
- ***Persian-LNG:*** *Capacity 16.2 MMt/y(78 mmcm/d)*
- ***Pars-LNG :*** *Capacity 10 MMt/y (54 mmcm/d)*
- ***Chinese:*** *Capacity 20 MMt/y(113 mmcm/d)*
- ***Malaysia:*** *Capacity 10 MMt/y(57 mmcm/d)*

Total: ***Capacity 66.9MMt/y(356mmcm/d)***

Conclusion

- **Ample of Oil and Gas Reserves in Iran**
- **Low Cost of Oil and Gas Production in Iran**
- **Long Experience of IOC,s and Reputable Service Companies in Iran**
- **No Risk for secured rate of return on investment**

Conclusion

- **Profitability for export of Materials, Facilities , Technical Services and Technologies to Oil and Gas Industry of Iran**

- **Decreasing Unemployment and Increasing Added Value in the Exporting Countries of Materials, Services and Technologies to Iran**

- **Assured Security of Oil and Gas Supply in the International Market for the Future through IOCs and NOCs Cooperation with NIOC in a Depoliticized Energy Environment and Free of any Unfair Sanction.**

Thank You