



NIOC, Pioneer in National Development Plans



As one of the largest oil companies across the globe with full membership position in the OPEC, the National Iranian Oil Company leads the path in the Middle East in terms of regional and global cooperation, to establish its unrivaled and historic position with respect to production and export in the region, through further promotion of exploration, drilling, production, R&D, refining and distribution of oil, gas and petroleum products as well as exports of the same.

To maintain its position in the region and in the international arena, NIOC has focused its policies on common oil and gas fields (mainly the West Karun and South Pars fields), EOR and IOR, gas injection into oil fields and enhanced and improved recovery of reservoirs which are in their second half of their life cycle. On the other hand, technology advances together with the complexity of economic and political ties has made this major oil company to put in its agenda the national and regional policies and cooperation with the key industrial countries with an eye to energy supply and stability in global oil markets.

Development of Common Oil Fields, Main Priority for NIOC

Development of common oil fields is not only the highest priority development program for the Iranian petroleum industry stipulated in the Fifth Development Plan, but

also top in this year's agenda of the NIOC's development programs. Accordingly, exploitation of Iran's common oil and gas fields, especially in the South Pars and West Karun, has been dramatically accelerated upon the efforts of the NIOC and as instructed by NIOC's director and Minister of Petroleum.

POGC in Charge of Developing 28 Phases of South Pars Field

As one of the biggest production companies, Pars Oil and Gas Company is in charge of management and implementation of development plans in 28 phases of the South and North Pars Oil Fields under the leadership of NIOC.

South Pars common field is located in an area of 9700 km² of which the share of Islamic Republic of Iran comprises some 3700 km². The gas reserves of this latter part of the field amounts to some 14 TCM and some 18 bn barrels of gas condensates which comprises more than eight percent of the world gas reserves and approximately half of Iran's gas reserves.

Presently, projects have been designed for development of 24 phases to produce 820 million cubic meters of gas per day. South Pars gas field development shall meet the growing demands of natural gas, injection into oil fields, gas and condensate export as feedstock for petrochemical industries.



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Unprecedented Increase in Oil and Gas Production

Some 140 MCM of sweet gas has been added to the national grid through South Pars priority phases (phases 12, 15, 16, 17 and 18) during the tenure of the 11th government. Meanwhile, some 12 desalination units were launched last year and NIOC managed to simultaneously launch a number of platforms to register a further record in the history of oil industry through its accurate and efficient management.

Greatest of Projects in the Iranian Oil Industry Accomplished

With the vigorous efforts of the Iranian experts aimed at realization of the gas production objectives set in Esfand 1393 (Feb-March 2015), the most Iranian phase of South Pars and the greatest project through the history of oil industry in this country is launched by the President. Phase 12 of South Pars is of such magnificent features that it added 2% to GDP, a phase which depicts the national determination in realization of the Iranian economic epic. Phase 12 was developed with over \$ 7 bn by the local experts and launched without the participation of foreign human resources, hence it was named the most Iranian phase of the project. The phase equals three standard phases, according to the speculations, and can produce 25 MCM/d natural gas in each of its phases, which equals 8 bn MCM/y, which sums up \$ 2 billion per year by cents

25/CM.

Therefore, upon full commissioning and exploitation of South Pars phase 12, which is equivalent of three standard phases, some \$ bn 6 revenue is generated annually only from the gas production of the said phase. Phase 12 of South Pars with all its products can generate some \$ 10 bn annually and a rate of return of less than 3 years.

Over 40 MMC Gas Produced in Phases 15 and 16

Upon the installation and commissioning of a refinery process, the daily gas production in the South Pars phases of 15 and 16 amounted to some 42 MMC, which is now being injected to the national line.

Nine Oil Field Researches Assigned to Universities and Research Centers

NIOC assigned universities to conduct research of nine oil fields. Ahvaz oil field was delivered to the Iranian Research Institute of Petroleum Industry, Karanj field to Azad University, Mansuri field to Shiraz University, Bibi Hakimeh field to the Research Center for Enhanced Oil Recovery, Koopal field to Sharif University, Gachsaran field to the University of Petroleum Industry, Azadegan field to the University of Tehran together with the Petroleum Institute of the Tehran School of Technology, Darkhovayn field to Amirkabir University and Soroush field to Sahand University.

A BCM Gas Output Increase in Central Regions Oil Company

The gas production of the Central Regions Oil Company had a rise of one billion cubic meters during the ten months of the year 1393 (in Iranian calendar; March-November 2014) which brought some \$ 1.5 billion foreign exchange savings in purchase of alternative fuel. Included among other achievements made by the Central Regions Oil Company are saving of Euro 100 million through adoption of optimization methods, increase in gas production in line with the resistant economic policies of the Islamic Republic of Iran, and 30% decrease in oil rig suspensions.

Other measures taken by the above Company include commissioning of phase one of Shourijeh gas storage facility, commissioning of Dehloran desalination plant, 14 gas production wells (exceeding the number of wells produced compared with the preceding years), commissioning of Cheshmeh-Khosh gas injection unit and starting the construction of the NGL 3100 plant.



National Iranian South Oil Company Leads in Oil Production

As the principal authority in charge of oil production in Iran, NISOC undertakes oil production in more than 50 hydrocarbon fields covering over 400 thousand km² in Bushehr province all through to the north of Khuzestan province, which comprise some 83% of the national crude production.

Under the operation area of this major oil company, some 90 development wells and some 100 workover

wells are dug annually to preserve maximum production and prevent maximum production decline all conducted in addition to the drilling stipulated in the Twenty Year National Outlook and the Five Year Development Plans. Implementation of 715 Capacity Maintenance and Production Support Projects

Currently, the National South Oil Company is working on 715 projects from among which 560 projects are concerned with production capacity maintenance and 155 projects with production support. Some 37 desalination projects are underway the implementation processes, which will add some 900 thousands of barrels per day to removing of salt from crude oil. The declared number of projects for gas injection with maximum efficient rate also amounts to 17.

Hundred Percent Realization of NISOC Production Plan In the past year, more than 100% of the oil and gas production plan of NISOC was achieved. At the moment, NISOC has a record of oil production capacity of more than 3 million barrels oil some of which is exported and some sent to refineries. Meanwhile, the capacity for rich gas production by NISOC amounts to 107 MMC, gas condensates to 168 barrels, and gas injection capacity to 148 MMC/d.

Some 668 MMbbl Increase to Oil Reserves Last year, the reservoir studies added some 668 million barrels of oil to NISOC's reserves. Thus far, since 1999, more than 3 billion barrels of oil in place has been added to NISOC's reserves.

Some 98 Percent Flare Minimization

One of the NISOC's serious projects is its plan on gathering of associated gas aimed at prevention of 98% associated gas flaring, to be conducted by 22 projects. The project is launched by a financial allocation of 7.860 billion Rials. For the remaining 2 percent some feasibility studies have been scheduled, which will be implemented if it proves economical.

Auction for Flare Gas

NIOC announced a public call on November 17, 2014, for holding a tender on gas flare aimed at creating added value from the gas flare and preventing pollution caused by flaring of such gases. The total volume of gas flares for tender was declared 20 MMC/d. The time schedule for flare gas conversion to value added products is considered to be one year. In case the investor succeeds in completing the project in less than a year, a 30% discount will be considered of the total price.

New Oil Civilization in Third Millennium

Arvandan is the youngest Iranian oil company which



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undertakes production and development of 13 oil fields. This company has in its vision production of 10 billion barrels of recoverable oil by means of natural flow.

A major project conducted by Arvandan under the leadership of NIOC is simultaneous injection of the isolated gas by means of fusion into the oil reservoir to prevent flaring of gas and maximum efficiency of oil production with the output pressure of more than 7500 PSI, which proves to be the highest gas injection pressure in Iran and the Middle East.

National Determination for Development of West Karun Common Oil Fields

The Northern and Southern Azadegan, Yadavaran, and the Northern and Southern Yaran are the common oil fields in west of Karun region which are placed in the priority plans of the 11th government. Through their development, some of the promises of the Minister of Petroleum will be realized concerning the increase in production capacity of oil and gas condensates to 5.7 million barrels until the year 1397 (2018).

Some 50 Thousand Barrels of Early Oil Production in South Azadegan

Presently, the early production in the South Azadegan oil fields amounts to 50 thousand barrels through 21 wells. Tenders are scheduled to raise the early production to 80 thousand barrels in this oil field which will be carried out by early 2016. The schedules indicate that an early production of 320 thousand barrels/d or beyond will be achieved by early 2017.

North Azadegan 75 Thousand Barrels of Oil Production in 2015

According to the declared data, the oil production in phase one of the development plan of North Azadegan has reached 75 thousand barrels per day during the first half of the year 1394 (2015). Phase two of the development

plan aims at daily production of 150 thousand barrels through 50 wells.

Yadavan 85 Thousand Barrels of Oil Production in May 2015

Phase one of Yadavan Common Oil Field development is registered 94% by now, which indicate that we can witness a production of 85 thousand barrels in March. Early production in this common oil field amounts to 50 thousand barrels at the moment. The production capacity of phase two of the plan is estimated to be some 180 thousand barrels.

Over 35% Progress of North Yaran FDP

The progress of North Yaran development plan is declared to be 35 percent. At the moment, the oil output of the field amounts to five thousand b/d which reaches 12-15 thousand b/d until July 2015 taking into consideration the incremental production in the field.

Increased Drilling Facilities in South Yaran Common Field

The FDP of South Yaran Oil Field will be accomplished in the second half of this year by a daily production of 40 thousand barrels.

Sardar-e Jangal Gas Field's Second Flare Put into Operation

Khazar Exploration and Production Company (KEPCO) as one of the five exploration and production companies in the upstream sector of the National Iranian Oil Company is in charge of exploration, development and production in terms of hydrocarbon resources in the Caspian Seas region. Of the main activities of this company, it could be referred to launching flare of the second well in Sardar-e Jangal Field.



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Implementing over 30 research and operational projects by Iranian Offshore Oil Company

Gathering associated petroleum gases from the fields in Kharg, Bahregan and Siri and transferring them to Kish Power Plant and Qeshm Cement Production Factory and continued transfer of the associated gases of Soroush and Noruz fields to Khark region are some of the activities of Iranian Offshore Oil Company.

The Company also launched the flowing oil terminal of Khalij-e Fars in 2014. The terminal has the storage capacity of 2 million and 207 thousand barrels per day. The terminal serves as one of the biggest floating oil terminals using the most advanced measurement systems.

Included among other activities of Iranian Offshore Oil Company are commissioning of the polluted water collection tanks in Behregansar oil platform, obtaining 300 wellhead control facilities, and commissioning of Abuzar Gas Compression Platform.

Drilling 133 wells by National Iranian Drilling Company
National Iranian Drilling Company is one of the few companies in the world that conducts drilling operation of oil and gas wells as well as related technical and engineering services. This company has 74 onshore and offshore drilling machines.

Some 160 wells have been drilled through operational fleet of this company in the past year and the company has offered 6,564 technical and engineering services on the oil and gas wells.

Non-oil exports from Pars Special Economic Energy Zone's customs raised 84%

Pars Special Economic Energy Zone Organization

was established in 1998 with the aim of providing the necessary facilities for timely implementation of oil and gas projects. Of the main activities of this organization in the past Iranian calendar year, it could be referred to boosting exports of non-oil products from the zone's customs by 84 percent and exploitation of the mechanized sulfur storage facilities.

Building Hi-Tech Facilities

The vision of the Maintenance, Construction and Procurement management is so that it views the strategic needs with special advantages to the benefit of foreign and domestic investors concerning the construction of facilities with the highest technologies and development of knowledge-based products with local know-how.

Rise in National Crude Export Capacity

The main mission of the Iranian Oil Terminals Company is to help sustainable production of oil and gas in Iran through the processes of receiving, storing, mixing, measuring (qualitative and quantitative), loading and unloading (exports and imports) of crude oil and oil products and exchange (SWAP), and anchorage of oil tankers. By substantial repairs in the loading arms of the eastern and western quay of the Iranian Oil Terminals Company in Khark, the oil export capacity of Iran was raised in the preceding year.

Through renovation of quays in Khark oil terminal, the operational capacity of crude oil exports was realized within OPEC ceiling of 6 million barrels. Meanwhile, the cost of delays in anchorage and loading of very large crude carriers dropped to zero level.

Among the other achievements of this Company has been building four storage tanks with the capacity of one



million barrels conducted by local contractor's capacities, which contributed to the increase in storage capacity for crude exports for some 28 barrels in Khark.

National Iranian Gas Exports Company

National Iranian Gas Exports Company is an international company which is active with the aim of expanding and strengthening potential capabilities of Iran and playing effective role in the global competitive markets, absorbing foreign investment, expanding gas trade in the region and world.

Included among the major projects of this Company in the past year, it can be referred to implementation of the project for LNG production and export of gas to Iraq to feed Baghdad and Basra power plants for some 18 BCM/Y, export of gas to Oman through a contract encompassing 10 BCM/Y and sale of gas for production and export of power in borderline regions.

NIOC Exploration Directorate; beating heart of oil industry National Iranian Oil Company's Exploration Directorate is active in all offshore and onshore fields of the country by conducting exploration operations as well as technical and economic evaluations.

Activities of the company over the past years led to discovery of noticeable hydrocarbon reserves in the country. Conducting research studies in all oil and gas fields of the country is a big task of the company.

Subsidiaries and directorates, jointed rings of development in NIOC

Other subsidiaries of the National Iranian Oil Company have important responsibilities as well in materializing the national oil industry's objectives specified in the country's 20-year development outlook. Iranian Fuel Conservation Company, affiliated directorates of NIOC including International Affairs Directorate, Research and Technology Directorate, Information Technology and Communications Directorate, Oil and Gas Production Supervision and Coordination Directorate, Combined Planning Directorate, Human Resources Development Directorate, Financial Affairs Directorate and Legal Affairs Directorate, all play role in materializing objectives of the country's oil industry.

