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Itera Signs PSA Partner for Caspian

By The Moscow Times

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Itera and Zarubezhneft have signed an agreement to work together on extracting oil and gas from Turkmenistan's Caspian Sea shelf, Itera announced Wednesday.

Itera general director Vladimir Makeyev and his counterpart at Zarubezhneft, Nikolai Brunich, signed a production-sharing agreement concerning the 21st block of Turkmenistan's sector of the Caspian Sea.

Zarubezhneft is named as the project operator and is authorized to do all the oil-production work under the PSA on behalf of the contracting companies.

They also inked an agreement laying out the terms and conditions for the transfer of a 51 percent stake in the project to Zarubezhneft. The other 49 percent will remain with Itera, which in September 2009 clinched the PSA with Turkmenistan's presidential state agency for the management and usage of hydrocarbon resources.

Initial estimates put Block 21's recoverable oil resources at 219 million tons, associated gas

at 92 billion cubic meters, and natural gas at 100 bcm. Investment in the project could reach as much as $6 billion.

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