

افغانستان آزاد – آزاد افغانستان

AA-AA

چو کشور نیاشد تن من مباد بدین بوم ویر زنده یک تن مباد
همه سر به سر تن به کشتن دهیم از آن به که کشور به دشمن دهیم

www.afgazad.com

afgazad@gmail.com

European Languages

زبان های اروپایی

Bloomberg

Afghanistan Sets Auction to Lure Bidders for Oil Exploration

By Viola Gienger and Eric Martin

03/02/2012

Afghanistan will start accepting investor offers next week to explore for at least 600 million barrels of crude oil in the western half of the Afghan-Tajik Basin, the country's mining minister said.

The auction beginning March 7 will cover six blocks in the basin, located in the country's north, and will include rights for exploration and production, Minister of Mines Wahidullah Shahrani said yesterday in an interview in Washington.

"The initial indication is that there would be at least 600 million barrels of oil in that western part of the Afghan-Tajik basin," he said. "There is also potential for discovery, once they do the exploration, for gas in the same basin."

The auction would be Afghanistan's first new offering of energy and mineral deposits this year in a country desperate for revenue as a 50-nation coalition begins to withdraw its troops amid continuing violence.

Chevron Corp. (CVX), the second-largest U.S. oil producer, is among the companies that expressed interest in bidding for the Afghan-Tajik Basin during meetings with other ministry officials last week in Houston, Shahrani said.

Lloyd Avram, a spokesman for San Ramon, California-based Chevron, said that, while the company “continuously looks for value-added opportunities around the world,” it doesn’t comment on business discussions.

The Afghan-Tajik Basin is estimated to hold 946 million barrels of undiscovered crude oil and 7 trillion cubic feet of natural gas, according to a U.S. Geological Survey report. Koran Burning

Intensified violence, including riots and the killings of six U.S. soldiers in the past 10 days over a Koran burning at the main American military base, have thwarted investment and the North Atlantic Treaty Organization’s decade-long effort to end the war.

The Pentagon’s Task Force on Business and Stability Operations works with the ministry to help build and modernize infrastructure and encourage investment, while civilian aid groups seek to develop the country’s legal system and the capacity of government agencies.

Such efforts by the NATO coalition suffered another setback last week, when U.S. Marine General John Allen, the top commander, recalled advisers from the ministries to secure compounds after two were shot to death in the heavily guarded Interior Ministry. Shahrani said U.S. and British advisers in his ministry were recalled, while World Bank and Asian Development Bank personnel continue to work on site.

Chinese Win

China National Petroleum Corp. (CNPZ) last year won an auction to develop three blocks of the Amu Darya basin, a geological zone that extends into Turkmenistan and Uzbekistan. The three blocks were estimated to hold 80 million barrels and the Afghan government projected it would yield about \$7 billion in profits.

The company, which is PetroChina Co. (857)’s parent, won the tender by offering to build a refinery and pay more royalty than rivals from Australia, the U.K., the U.S. and Pakistan. Production is due to begin in October, Shahrani said yesterday.

Shahrani, who is visiting Washington to meet with U.S. companies as well as government agencies supporting Afghanistan’s economic development, said the ministry will announce the results next week of a tender process that began in December for four gold and copper deposits. The announcement is scheduled for March 9, he said.

Afghanistan may hold unexplored mineral deposits worth as much as \$1 trillion, the Pentagon said in June 2010, citing U.S. Geological Survey data. The Afghan government has estimated the figure as high as \$3 trillion.

Mineral Deposits

India and China have so far led foreign investment in the country’s mineral resources. State-owned Metallurgical Corp. (1618) of China is developing the Aynak copper mine in Afghanistan, where production is expected to begin in 2014, according to Shahrani.

Companies from outside the region are more likely to be wary of investing in Afghanistan, said Prasad Patkar, who helps manage about \$1 billion at Platypus Asset Management Ltd. in Sydney.

“I wouldn’t imagine Afghanistan attracting large investment immediately,” Patkar said in a telephone interview. “There are volatile areas that are geologically more appealing, like the Democratic Republic of Congo.”

Among American companies, Afghanistan is most likely to interest those that focus on oil and gas, rare earths, gold and, to a certain extent, copper, Shahrani said.

Afghanistan is funding a 7,000-person security force to protect mining assets, with 1,500 personnel stationed at the Aynak mine at a cost of about \$7 million a year, Shahrani said in a December interview.

Meeting With Molycorp

Shahrani said he will meet with representatives from Molycorp Inc. (MCP) of Greenwood Village, Colorado. The company owns the largest rare-earth deposit outside China.

Molycorp had a meeting with Afghan officials on Sept. 23 at the suggestion of the U.S. State Department to discuss long-term plans for mineral development, Jim Sims, a spokesman for the company, said in an e-mail. Sims said the company hasn’t met with Afghan representatives since and he isn’t aware of any meetings are scheduled.