

Organization of the Petroleum Exporting Countries OPEC

(Austria, Vienna, 30 November 2017)

Deputy Chairman of State Concern "Turkmennebit"

Japarguly Orazov

DEVELOPMENT OF THE OIL INDUSTRY

OF TURKMENISTAN

AND

PROSPECTS OF COOPERATION

WITH FOREIGN COMPANIES

Ladies and gentlemen!

First of all, taking an opportunity, let me greet the participants of the OPEC Ministerial Conference and thank the Secretary General of the Organization of the Petroleum Exporting Countries, Mr. Mohammed Sanusi Barkindo, for the invitation to attend this conference as an observer.

In my speech, I would like to inform about the current state of affairs in the oil industry of Turkmenistan, the priority directions of development of the oil industry, the immediate and long-term plans of the "Turkmennebit" state concern, as well as the opportunities and prospects for cooperation with foreign companies, which are ready to offer modern technologies and equipment.

The oil and gas industry of Turkmenistan played an important role in the formation of an independent state in its early years of development and is now continuing to be the "a locomotive of the economy" of our state. Successfully implemented policy of President of Turkmenistan Gurbanguly Berdimuhamedov is aimed at achieving energy security in the context of integration into the world energy system.

So, in order to meet modern realities and challenges, as well as world standards in the oil and gas industry, the President of Turkmenistan signed a decree on the establishment of the National Oil and Gas Company NAPECO.

NAPECO is a vertically integrated company with a full range of activities related to the oil and gas and petrochemical industry, including prospecting and exploration, drilling, production, transportation of hydrocarbons, oil and gas chemistry, equipment supply, oilfield services and contract work, as well as participation in production sharing agreements, acquisition of foreign assets and establishment of joint ventures with foreign companies.

Regarding the "Turkmennebit" concern, it is one of the largest state oil and gas concern in Turkmenistan, that unities dozens of different profile enterprises. The Concern carries out the whole spectrum of oil works from prospecting and exploration of hydrocarbon fields to the extraction and transportation of oil and gas. The Concern includes a Research and design institute, drilling, oil and gas producing enterprises, various services of automation, material and technical servicing, as well as oil refinery plants and many other enterprises.

Under the Law of Turkmenistan "On Hydrocarbon Resources" and the concluded Production Sharing Agreements, the "Turkmennebit" State Concern has been successfully cooperating since recently with "Dragon Oil (Turkmenistan) Ltd.", "Buried Hill Serdar Limited", "ARETI", "Eni" and "Mitro International" on a number of projects on the sea and onshore of Turkmenistan.

The Concern is carrying out oil works in more than 30 fields, which are at various stages of development. Rational and highly effective development of these deposits is conditioned by the full consideration of all the features of their geological structure.

In order to extract hard-to-reach oil from long-developed fields, to commission the previously inaccessible deep-seated oil horizons, the concern is carrying out a comprehensive modernization of the entire technological production, as well as widespread introduction of modern machinery and highly efficient equipment.

In concluding my statement, let me wish a fruitful and successful work to all participants of the 173rd Ministerial Conference of OPEC.

Thank you for attention!