Discussion to build four refineries in Iraq

The Iraqi oil ministry is talking to several international oil companies about investment in four planned refineries throughout Iraq to meet increasing domestic demand, the country's deputy oil minister has said.

"The estimated cost of these four new refineries that are designed to produce some 740,000 barrels a day of refining capacity is more than $20 billion," Ahmad al-Shammaa told Dow Jones Newswires in an exclusive interview.

Shammaa said Iraq's first priority refinery is in Kerbala governorate south of Baghdad with a production capacity of 140,000 barrels a day and an estimated cost of $4 billion.

Kerbala refinery is in the front-end engineering and design phase now. Technip SA (TEC.FR), which was awarded the FEED contract last year, is expected to finish the designs at the beginning of next year, he said.

The ministry is offering investors three options: build, own and operate, build, operate and transfer and a joint venture with a state company, he added.

Designing the refinery is the last step before inviting companies to tender for the refinery. However, three South Korean companies have already shown interest in building the refinery, he said without naming them.

The second priority is to build a refinery in Missan governorate in southern Iraq with a capacity of another 150,000 barrels a day, he said.

U.S. Companies Shaw Group Inc (SHAW) along with Stone & Webster Inc (XD-SEW), are designing the refinery and they are expected to finish the front-end engineering design next year. It will also cost around $4 billion, Shammaa said.

Iraq also plans to build the Nassiriya refinery, near the city of Nassiriya in the south, to process 300,000 barrels a day. Shammaa said that products of the refinery would be exported via Iraq's export terminal in Basra in southern Iraq. The refinery is being designed by Foster Wheeler AG (FWLT) "We need also to work out a network of pipelines that would carry products to our export terminals in Basra," he said.

The fourth refinery is planned in the oil-rich Kirkuk governorate with another 150,000 barrels a day processing capacity, he said. Shaw Group and Stone & Webster are designing the refinery.

Iraq, the only member of the Organization of Petroleum Exporting Countries that doesn't have to adhere to an oil production quota, is facing a fuel shortage. The country, which has the world's third largest crude reserves, presently imports more than a quarter of its fuel needs.

Iraq has three major refineries in Baghdad, Basra and Baiji 200 kilometers north of the capital, as well as a scattering of smaller refineries throughout the country, with designed capacities of 750,000 barrels a day. But outstanding repairs, crude transport bottlenecks, acts of sabotage and crude oil storage capacity cut their operational capacity to around 530,000 barrels a day.

The Iraqi oil ministry and the national investment commission held a joint conference at the ministry's headquarters in Baghdad last month, in an attempt to attract international refinery investors to build these refineries. At that meeting, the ministry announced that it would give a discount of 5% to its crude oil prices to investors in these refineries.

Vitol, Helios in talks for Shell's Africa Downstream Businesses

The Vitol Group confirmed that it is in exclusive negotiations with Shell Oil Products Africa for the potential acquisition of equity in their downstream businesses in 19 countries in Africa, subject to final negotiations and any necessary regulatory and final company approvals. Vitol's potential acquisition of equity will be in partnership with Helios Investment Partners, a major investment firm focusing on Africa and one of the few independent pan-African private equity investment firms to be founded and managed by Africans.

The scope of the negotiations is Shell's downstream businesses (Retail, Commercial Fuels, Lubricants, Liquefied Petroleum Gas (LPG), Bitumen, Aviation and Marine) in Morocco, Tunisia, Egypt (excluding lubricants), Cote d'Ivoire, Burkina Faso, Ghana, Togo, Senegal, Mali, Guinea, Cape Verde, Kenya, Uganda, Tanzania, Botswana (excluding LPG), Namibia, Madagascar, Mauritius and La Reunion.

The scope of the business includes 1300 retail sites, retail sales of around 3,500,000 cubic meters, and 1,200,000 cubic meters of terminal storage. There are around 2500 employees currently employed in the various businesses in the 19 countries.

Under the terms of the exclusivity agreement, Shell will not be holding discussions with any other third party other than Vitol and Helios for the time being. In addition, under the scope of a potential deal between the three companies, it is envisaged that Shell would retain a shareholding and the Shell brand would remain across all marketing businesses, including retail and lubricants. With the exception of Egypt, Shell's lubricants businesses in all 19 countries would also be in scope.

Prysmian wins €150-million offshore wind project in Germany

Prysmian, a leading worldwide player in the energy and telecommunications cables industry, has been awarded a project worth in excess of □150 million by the German transmission system operator Transpower - a subsidiary of the Dutch grid operator TenneT - for the grid connection project HelWin1 linking two offshore wind farms in the North Sea to mainland Germany.

Prysmian is expected to provide complete supply, installation and commissioning of the submarine and land cable connections as part of a larger contract worth approximately a half billion, awarded to the consortium of Prysmian and Siemens Energy. Siemens will deliver the Voltage Sourced Converter (VSC) system, with a rating of 576 MW. The turnkey connection will first link the Offshore Wind Park Nord See Ost, located about 85 km offshore, to the mainland with the purpose of transmitting wind generated renewable power into the German Grid.

The project closely follows the recently awarded BorWin2 project, worth more than □ 200 million, which sets a number of milestones in the industry as it will be the first commercial ± 300 kV DC cable project using extruded technology (highest direct current voltage level ever reached), the first 800 MW connection to offshore wind parks and the largest VSC system with a capacity of 800 MW. The HelWin1 project will also use extruded HVDC cable technology from Prysmian together with Siemens HVDC Plus® converter technology at the offshore platform and onshore stations. The HVDC connection of approximately 130 km to be supplied by Prysmian will comprise subsea and land cable types at a voltage of ± 250 kV DC along a 85 km sea route passing to the east of Helgoland continuing along a 45 km land route to the land converter station in Büttel, north-west of Hamburg. Extruded 155 kV HVAC submarine cable connections will complete the connections from the offshore wind park transformer platforms to the offshore converter platform.

The cables and accessories will be manufactured from 2011 onwards in Prysmian's European HV factories including the dedicated submarine cable facility in Arco Felice, Italy. Installation activities will commence in 2011 and continue throughout 2012. The commencement of operation of the HVDC link is planned for 2013.

Prysmian has developed a wide range of state-of-the-art products and technologies for applications in the renewable energies sector, from wind turbines and solar plants to large high voltage interconnection systems of new power generation sites. This latest contract again demonstrates Prysmian's leading position in the development of HVDC cables for power transmission in terms of both technical expertise and the commitment to support smarter and greener power grids throughout the world. Among other projects in which Prysmian has recently been involved in the field of both HVDC power transmission and offshore wind parks are some of the largest developments worldwide such as Walney, Ormonde, Gunfleet Sands, Thanet and Greater Gabbard in the UK as well as Alpha Ventus and BorWin2 in Germany.

Scotland and China to cooperate on offshore wind steel structures

SeaEnergy Renewables Ltd (SERL) and Chinese Nantong COSCO Ship Steel Structure Co Ltd (NCSC) will develop and market steel structures for the offshore wind industry under a strategic cooperation agreement.

The cooperation agreement is expected to lead to a definitive agreement to develop and market offshore wind turbine jacket substructures, towers and access systems for offshore wind farms.

SERL's CEO Joel Staadecker said, "We are delighted to be working with one of China's premier state-owned enterprises and directing our efforts at the critical supply chain need for offshore structures. The combination of our proven skills in delivering offshore infrastructure and turbines in deeper water and NCSC's expertise in design and manufacture of steel structures for marine applications provides the ideal platform to serve the growing global offshore wind industry as it moves into deeper waters."