

## Libya's 3 million b/d 2013 oil output target 'history'

*Cape Town, South Africa*—The Libyan government's plans to raise oil production capacity to 3 million b/d by 2012 have been revised down largely due to OPEC constraints, the National Oil Corporation's Exploration Manager Fituri Elhag said July 7. Speaking on the sidelines of the CWC energy conference in Cape Town, Elhag said Libya's 3 million b/d target was now "history." The International Energy Agency in its latest monthly report said the 3 million b/d had been revised to 2.3 million b/d by 2013—but even this lower target looks optimistic. The IEA said its projections see Libyan capacity reaching just 1.94 million b/d by 2013 and just over 2 million b/d by 2014. Tripoli had said it hoped to increase output to 3 million b/d by about 2012 but analysts say there is little incentive for companies to hike capacity, given Libya's current OPEC quota of 1.47 million b/d. Despite expectations that Libya's oil sector would see an influx of foreign investment and increased production capacity following the lifting of US sanctions in 2004, the IEA said that projects have been stalled by excessive bureaucratic delays and even more changes in contract terms. Elhag told delegates that the al Jurf field, with a capacity of 40,000 b/d, is producing just 28,000 b/d. The country has held four licensing rounds since international sanctions were lifted in 2004, giving out dozens of contracts and renegotiating older ones to bring them into line with new fiscal terms, but Elhag said another round was unlikely before 2010. The international oil companies will invest over \$7 billion in the country between 2005 and 2015, which Elhag said was a "very conservative" figure. He also said that the NOC planned to invest \$4 billion in the sector over the period. Most of the basins in Libya are now covered by contracts but Elhag said exploration activities are now focusing on frontier areas.—

*Jacinta Moran*