

# Chinese-Italian consortium wins Iraq oil project

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The consortium will expand the degassing station at the Zubair oil field in Iraq as part of the contract awarded by Eni and Basra Oil Company

## **M** EXCLUSIVE

A consortium of China Petroleum Engineering & Construction Corporation (CPECC) and Italy's Progetti Europa & Global (PEG) has won a \$690m upstream oil and gas project contract in Iraq.

Italian energy company Eni and Iraq's state-owned Basra Oil Company (BOC) have selected the consortium to expand the degassing station for the Mishrif formation within the Zubair oil field, according to information first obtained by [MEED Projects](https://meedprojects.com/) (<https://meedprojects.com/>).

The project's scope of work includes the construction of five degassing station trains, which will have a collective capacity to process 90,000 barrels a day of oil.

The contractors will also be required to install auxiliary production facilities and heating, ventilation and air conditioning systems, as well as construct associated facilities.

In July last year, MEED revealed that CPECC (<http://www.meed.com/firms-await-iraq-oil-contract-award>) was the lowest bidder on the contract and that the award had been delayed by issues related to [the Covid-19 pandemic](https://www.meed.com/latest-news-on-the-pandemics-economic-impact) (<https://www.meed.com/latest-news-on-the-pandemics-economic-impact>).

Five companies submitted revised commercial bids for the contract on 31 August 2019:

- > **CPECC (China)**
- > **Hyundai Engineering & Construction (South Korea)**
- > **Petrofac (UK)**
- > **Saipem (Italy)**
- > **Samsung (South Korea)**

The project was announced by Eni and BOC in January 2017.

Eni has been present in Iraq since 2009 through its subsidiary Eni Iraq.

It has a 41.6 per cent stake in the Zubair field development project. South Korea's Kogas has a 23.8 per cent stake and BOC has a 23.8 per cent stake.