

# “Sovereign Iraq” welcomes back the Foreign Oil Companies

Obama is an accomplice in one of the greatest thefts in modern history

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Blood and oil are two expensive and valuable commodities. One is essential in maintaining life, and the other is intrinsic to sustain the arteries of the global economy.

In Iraq , blood is cheaper than oil. Over a million Iraqis have died in the last 6 years since the oil tycoon Georges Bush Junior invaded the country in an imperial military exercise designed to balkanize Babylon and to confiscate its natural resources.

On the morning of June 29, 2009, the Iraqi forces allegedly assumed formal control of Baghdad and other cities after American troops handed over security in urban areas in a distinct step toward ending the U.S. combat role in the country. As soon as the contrived celebration of the pull out was completed, the curtain opened and the show for bidding on Iraqi oil began!

This is the time to reap the rewards for a war that was fought on behalf of the global oil industry. It is also the time to open the bidding on Iraqi oil, in order to get the best deal on the black gold while Iraqis remain shattered, tattered, and starved. The puppet Iraqi government will certainly facilitate the selling of Iraq 's wealthy resources to the oil companies that have patiently waited for the right moment to gobble up the largest reserves of oil in the world outside of Saudi Arabia .

Bloomberg news reported that Iraq is set to welcome back foreign oil companies into the war-torn nation to develop the world's third-largest crude reserves. Eight of the world's top 10 non-state oil producers, including Exxon Mobil Corp. and Royal Dutch Shell Plc, are vying for the right to help Iraq develop six oilfields and two natural-gas deposits. More than 30 companies in total are bidding for \$16 billion worth of technical service contracts for producing fields that were supposed to be awarded in Baghdad on June 29-30.

Companies investing in Iraq are looking to take a stake in the long-term potential that the country's 115 billion barrels of reserves hold after gaining a foothold through service contracts. Iraq may offer foreign companies direct stakes in deposits and allow them to sign production-sharing agreements for future fields, according to Oil Minister Hussain al-Shahristani. Moreover, al-Shahristani added that Iraq will earn 100 times more than the foreign companies it hires to develop the deposits. The deposits being offered in the first licensing round may yield \$1.7 trillion in profit for the country, based on an oil price of \$50 a barrel, while oil companies seeking service contracts will gain \$16 billion over the 20-year life of the contracts.

Not surprisingly, on June 30, 2009, Iraq 's oil minister asked international oil firms to reconsider their proposals on potential fields the Oil Ministry had yet to strike deals on. Of the eight giant oil and gas fields being offered, Iraq had only struck a deal with old colonialist BP led group. Offers on the others came in far above the maximum fee the government was willing to pay for every extra barrel of oil produced.

BP and China 's national oil company submitted a joint bid to raise output at Rumaila from about 1 million barrels a day to 2.85 million barrels a day for a \$3.99-per-barrel fee. The ministry said it would pay a maximum of \$2 a barrel. In the end, the companies agreed to that price. "We're pleased with the process so far and look forward to concluding the contract in due course," said BP spokesman Toby Odone. It's tough to walk away from the opportunity to get your foot in the door in Iraq ," said Robert E. Ebel, an expert on Iraqi oil at the Center for Strategic and International Studies. "When you look at all the oil in the ground, you figure 'I better be here.' But when you think about all the political problems, you might think that 'I better strike a better deal.'"

In the current bidding round, Iraq said it would reimburse companies for costs and pay them a per-barrel fee for increases in production from the country's abundant but long-neglected fields. But it did not offer the companies an ownership stake in the crude, which would have been a more attractive type of contract. It also demanded nearly \$3 billion in "signing bonus" loans for the six oil fields, which are active but under-producing, and two largely undeveloped gas fields.

Will the Iraqi government succeed in their desperate negotiations with the oil Goliath? Meanwhile, the world will thank Mr. Obama for completing Mr. Bush's plan for Iraq . That in turn, will make him a clear extension of the Bush legacy, and an accomplice in one of the greatest thefts in modern history.

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