

**COMMERCIAL IN CONFIDENCE**

s 22(1)(a)(ii)



FOREIGN  
AFFAIRS AND  
TRADE

**Ministerial Submission**

FOR: MR DOWNER  
(FOR ACTION)

MR VAILE  
(FOR INFORMATION)

From: s 47F(1), FAS ITF, s 22(1)(a)(ii)

Contact: s 22(1)(a)(ii)

Subject: IRAQ: BHP RIGHTS TO THE HALFAYAH OIL FIELD

Urgency: For decision before departure

**Key Issues:**

During your (Mr Downer) visit to London you will meet s 33(a)(iii) and other BHP representatives who will seek Government support to assert BHP Billiton's/I'igris Petroleum Consortium's claims to the Halfayah oil field in southern Iraq. s 33(a)(iii)

Given, however, the extent of the company's strong and longstanding interest in the field, s 33(a)(iii)

**Recommendations:**

That you:

s 33(a)(iii)

(a)

Noted

(b)

Agreed/Not Agreed

(c)

Agreed/Not Agreed

Please Discuss

Domestic/Media Considerations: No.

Action:

Alexander Downer  
/ /

Information:

Noted

Mark Vaile  
/ /

**COMMERCIAL IN CONFIDENCE**

**COMMERCIAL IN CONFIDENCE****Background:**

s 33(a)(iii)

The Halfayah Oil Field is one of five strategic, undeveloped oil fields situated in Southern Iraq. It contains nearly five billion barrels of recoverable oil and is equivalent in size to the original oil reserves discovered in the Bass Strait – a super-giant resource in industry terms. BHP advises that the development of the field would require an investment of around US\$2 billion. It estimates that production would plateau at 250,000 barrels of oil per day. This is a major investment opportunity.

BHP advised that during the mid to late 1990's the Iraqi Ministry of Oil in Baghdad concluded negotiations with a number of international oil companies for the development of the five fields: Lukoil of Russia for West Qurna, Total/Elf (now TotalFinaElf) of France for Majnoon and Nahr Umr, ENI of Italy for Nasiriyah (in competition with Repsol of Spain) and BHP for Halfayah.

In September 2000, BHP transferred its rights in Halfayah to a joint venture led by Tigris Petroleum, a company formed by former BHP executives, headed by Norman Davidson Kelly, who was responsible for the original BHP negotiations over Halfayah. Kelly assumed responsibility for maintaining relationships with Iraq by providing assistance by working on oil-for-food related projects until sanctions were removed. s 33(a)(iii)

The Consortium is ready to commence development of Halfayah immediately and assesses that it has at least two years head-start over any other company. Discussions are underway with Royal Dutch Shell, which is seeking a significant interest in the consortium. BHP does not seek to be the operating company in any development of Halfayah but is seeking to draw in a third party to take on that role. BHP has advised that although the technical details of the development plan for Halfayah and the commercial documentation were substantially agreed at the time with the Iraqi authorities, it chose not to sign the agreements. s 47E(d)

signed its agreement.

Of the successful bidders, only Lukoil

s 33(a)(iii)

s 22(1)(a)(ii)

First Assistant Secretary  
Iraq Task Force

**Consultation: ILD****File No.:****COMMERCIAL IN CONFIDENCE**



**CONFIDENTIAL****Briefing for Mr Downer's Meeting with s 33(a)(iii) re BHP****Key Issues**

- . s 33(a)(iii)
  - Stress their long commitment to the Halfayah Oil Field project
  - Register that BHP has completed extensive engineering design work and is ready to commence development of Halfayah immediately in concert with other Consortium members
- . Note the Australian Government's support for BHP's position
  - Australian companies have had a long and successful involvement with Iraq and are well-placed to make a strong contribution to assist in Iraq's recovery
- . Stress that the resumption of large-scale commercial activities will be key in revitalising Iraq's economy and helping to normalise daily life for ordinary Iraqis
  - Note that substantial developments like the Halfayah Oil Field will produce benefits for the Iraqi people, creating much-needed employment opportunities and foreign investment.

**Background**

BHP advised that during the mid to late 1990's the Iraqi Ministry of Oil in Baghdad concluded negotiations with a number of international oil companies for the development of the five fields: Lukoil of Russia for West Qurna, Total/Elf (now TotalFinaElf) of France for Majnoon and Nahr Umr, ENI of Italy for Nasiriyah (in competition with Repsol of Spain) and BHP for Halfayah.

In September 2000, BHP transferred its rights in Halfayah to a joint venture led by Tigris Petroleum, a company formed by former BHP executives, headed by Norman Davidson Kelly, who was responsible for the original BHP negotiations over Halfayah. Kelly assumed responsibility for maintaining relationships with Iraq by providing assistance by working on oil-for-food related projects until sanctions were removed. s 33(a)(iii)

The Consortium is ready to commence development of Halfayah immediately and assesses that the engineering design work it has done gives it at least two years head-start over any other company. Discussions are underway with Royal Dutch Shell, which is seeking a significant interest in the consortium. BHP does not seek to be the operating company in any development of Halfayah but is seeking to draw in a third party to take on that role. BHP Billiton has advised that although the technical details of the development plan for Halfayah and the commercial documentation were substantially agreed at the time with the Iraqi authorities, it chose not to sign the agreements. s 47E(d)

Of the successful bidders, only Lukoil signed its agreement.

**CONFIDENTIAL****Briefing for Mr Downer's Meeting with s 33(a)(iii)****et al****Key Issues**

- **s 33(a)(iii)**
  - Recognise their long commitment to the project
    - : Understand that BHP is now keen to commence development of Halfayah immediately in concert with other Consortium members
- **s 33(a)(iii)**
  - Affirm the Government's support for Australian companies playing an important role in rehabilitating Iraq
    - the resumption of large-scale commercial activities will be key in revitalising Iraq's economy and helping to normalise daily life for ordinary Iraqis, but security remains a major constraint
- Note that you will be opening the Australian Representative Office in Baghdad on 23 May to be headed by Neil Mules, **s 33(a)(iii)**
  - the ARO will provide assistance to Australian companies once it has been established.

**Background**

The Halfayah Oil Field is one of five strategic, undeveloped oil fields situated in Southern Iraq. It contains nearly five billion barrels of recoverable oil and is equivalent in size to the original oil reserves discovered in the Bass Strait – a massive resource and major investment opportunity in industry terms. BHP advises that the development of the field would require an investment of around US\$2 billion. It estimates that production would plateau at 250,000 barrels of oil per day.

According to BHP, during the mid to late 1990's the Iraqi Ministry of Oil in Baghdad concluded negotiations with a number of international oil companies for the development of the five fields: Lukoil of Russia for West Qurna; Total/Elf (now TotalFinaElf) of France for Majnoon and Nahr Umr; ENI of Italy for Nasiriyah (in competition with Repsol of Spain); and BHP for Halfayah.

In September 2000, BHP transferred its rights in Halfayah to a joint venture led by Tigris Petroleum, a company formed by former BHP executives, headed by Norman Davidson Kelly, who was responsible for the original BHP negotiations over Halfayah. Kelly assumed responsibility for maintaining relationships with Iraq by working on oil-for-food related projects until sanctions were removed. **s 33(a)(iii)**

The Consortium is ready to commence development of Halfayah immediately and assesses that the engineering design work it has done gives it at least two years head-start over any other company. Discussions are underway with Royal Dutch Shell, which is seeking a significant interest in the consortium. BHP does not seek to be the



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operating company in any development of Halfayah but is seeking to draw in a third party to take on that role. BHP Billiton has advised that, although the technical details of the development plan for Halfayah and the commercial documentation were substantially agreed at the time with the Iraqi authorities, it chose not to sign the agreements. s 47E(d)

Of the successful bidders, only Lukoil signed its agreement.

s 33(a)(iii)

**COMMERCIAL IN CONFIDENCE****\*\*\*THE FOLLOWING CONTAINS SENSITIVE INFORMATION\*\*\*****BHP Billiton****s 33(a)(iii)**

- BHP Billiton is an Australian company with the expertise and experience necessary to undertake successfully a development project of this scale
- BHP Billiton is ready to commence development of Halfayah immediately and assesses that the engineering design work it has done gives it at least two years head-start over any other company.

**Background****s 33(a)(iii)**

Mr Downer met with s 33(a)(iii) and other BHP Billiton representatives on 19 May in London s 33(a)(iii)

**s 33(a)(iii)**

The Halfayah Oil Field is one of five strategic, undeveloped oil fields situated in Southern Iraq. It contains nearly five billion barrels of recoverable oil and is equivalent in size to the original oil reserves discovered in the Bass Strait – a super-giant resource in industry terms. BHP advises that the development of the field would require an investment of around US\$2 billion. It estimates that production would plateau at 250,000 barrels of oil per day. This is a major investment opportunity.

BHP have advised that during the mid to late 1990's the Iraqi Ministry of Oil in Baghdad concluded negotiations with a number of international oil companies for the development of five fields: Lukoil of Russia for West Qurna, Total/Elf (now TotalFinaElf) of France for Majnoon and Nahr Umr, ENI of Italy for Nasiriyah (in competition with Repsol of Spain) and BHP for Halfayah.

In September 2000, BHP transferred its rights in Halfayah to a joint venture led by Tigris Petroleum, a company formed by former BHP executives, headed by Norman Davidson Kelly, who was responsible for the original BHP negotiations over Halfayah. Kelly assumed responsibility for maintaining relationships with Iraq by working on oil-for-food related projects until sanctions were removed. s 33(a)(iii)

The Consortium is ready to commence development of Halfayah immediately and assesses that the engineering design work it has done gives it at least two years

**COMMERCIAL IN CONFIDENCE****\*\*\*THE FOLLOWING CONTAINS SENSITIVE INFORMATION\*\*\***

**COMMERCIAL IN CONFIDENCE****\*\*\*\*THE FOLLOWING CONTAINS SENSITIVE INFORMATION\*\*\*\***

head-start over any other company. Discussions are underway with Royal Dutch Shell, which is seeking a significant interest in the consortium. BHP does not seek to be the operating company in any development of Halfayah but is seeking to draw in a third party to take on that role. BHP Billiton has advised that although the technical details of the development plan for Halfayah and the commercial documentation were substantially agreed at the time with the Iraqi authorities, it chose not to sign the agreements. s 47E(d)

Of the  
successful bidders, only Lukoil signed its agreement.

**COMMERCIAL IN CONFIDENCE****\*\*\*\*THE FOLLOWING CONTAINS SENSITIVE INFORMATION\*\*\*\***

**BHP – Contribution to meeting brief**

- The Australian Government supports BHP Billiton's involvement in the development of the Halfayah oil field in southern Iraq.

– s 33(b)

**Background**

s 33(a)(iii)

. You met with s 33(a)(iii) and other BHP-Billiton representatives on 19 May in London.

In 1996/97, BHP concluded a draft agreement with the Iraqi Ministry of Oil for development rights to the Halfayah oilfield in Southern Iraq. However, BHP decided not to proceed with the venture, concerned that to do so would breach UN sanctions. In September 2000, BHP transferred its rights in the Halfayah field to a consortium led by Tigris Petroleum (run by former BHP executives).

s 33(a)(iii)

The present security situation, prevailing legal uncertainties, and the political sensitivity of oil pose significant challenges for potential commercial participants in this sector. s 33(b)

. BHP-Billiton should be aware that if their proposal to rehabilitate Rumalia were to go forward, the project would have to be put to tender – with attendant commercial risk for BHP-Billiton.

s 33(a)(iii)

s 33(b)

27  
1



## COMMERCIAL IN CONFIDENCE

### Talking points

s 33(a)(iii)

s 22(1)(a)(ii)

### Background – BHP-Billiton proposal to rehabilitate North Rumaila

The proposal involves the provision of technical assistance and training by BHP-Billiton and Tigris Petroleum for the rehabilitation and further development of producing oil fields in southern Iraq, initially the North Rumaila oil field. The project is anticipated to provide early incremental oil, and free cash flow to Iraq of over US\$500 million per annum after some 12 months of activity.

BHP-Billiton would provide the capital and expertise for the project, and would earn a commercial margin on completion of the work. s 33(a)(iii)

COMMERCIAL IN CONFIDENCE

**COMMERCIAL IN CONFIDENCE**

Australian Government  
Department of Foreign Affairs and Trade

**Meeting Brief****FOR: MR DOWNER****From: s 47F(1) , AS ITF: 20101007****Contact: s 22(1)(a)(ii)****YOUR MEETING WITH: s 47F(1)****, BHP BILLITON - AT 1600 ON 18 FEBRUARY****Main issues/outcomes:**

- (a) On behalf of a loose consortium of major Australian companies (Woodside, Santos, Roc Oil, Clough, and Worley) BHP Billiton has confirmed in writing their offer to assist the proposed visit to Australia by Iraqi Oil Minister, Al-Uloum. You (Mr Downer) jointly with Mr Vaile, wrote to Al-Uloum on 17 February, confirming the invitation extended to him by Mr Vaile in Baghdad to visit Australia. We expect the visit to take place in the first half of 2004.
- (b) This consortium has also been lobbying for an Australian to be seconded to the CPA oil advisory team. BHP Billiton has put forward s 47F(1) for the job, who comes highly recommended by industry and government. However, latest advice from the CPA is that its oil sector team is fully staffed in the lead up to the 1 July transition; they do not wish to have an Australian secondee at this time. s 33(a)(iii)
- (c) s 33(a)(iii)
- (d) We understand s 47F(1) may ask whether DFAT could offer scholarships for oil sector officials, similar to the UK FCO's Chevening Scholarships. You may wish to mention DEST's postgraduate and postdoctoral research fellowships program for Iraq in this context. The proposed oil industry-funded study tour and training of Iraqis would also be relevant.

**The notetaker at this meeting will be: s 22(1)(a)(ii)**

s 47F(1)

Assistant Secretary  
Iraq Task Force

**Domestic considerations: No.****Consultation: AusAID, Austrade, DITR****File no.:****Noted**Alexander Downer  
/ /**Attachment: biographical details****COMMERCIAL IN CONFIDENCE**

**COMMERCIAL IN CONFIDENCE**

s 47F(1)

**Background: Iraq's Oil Sector**

Crude oil production is ahead of the CPA's schedule with current production at over 2.2 million barrels per day (mbd), and exports of some 1.2 mbd. The estimated pre-war production level of 2.5 mbd is expected to be reached early in 2004. Oil revenues are expected to contribute some US\$12 billion to the 2004 Iraqi budget.

In the early post-conflict period, the CPA was focused on addressing Iraq's immediate fuel needs and had to introduce an oil importing regime, and to implement strategies to deal with sabotage and smuggling. Only recently has the CPA been able to turn its attention to longer-term policy matters.

Investment in Iraq's oil sector is needed. There are vast opportunities for foreign oil companies, but no guarantees that the post-June provisional government will be prepared to seize and manage the oil issue confidently. At present the Oil Ministry, constrained by weak leadership and by decades of overbearing political guidance, is not ready to shape policy and direct investment. The Ministry's leadership needs to be strengthened and empowered to enable confident decision-making.

**BHP Interests**

BHP Billiton is in discussions with the CPA and the Iraqi Ministry of Oil over its rights to the Halfayah field. BHP Billiton's interest in the Halfayah field goes back to 1997, when BHP negotiated access to the Halfayah field. BHP did not enter into a contract to develop the field because of UN sanctions, but has since been monitoring developments in the area through Tigris Petroleum.

BHP Billiton has also approached the Ministry of Oil with a proposal to rehabilitate the North Rumaila oil field in Southern Iraq. The proposal involves the provision of technical assistance and training by BHP Billiton and Tigris Petroleum for the rehabilitation and further development of producing oil fields in southern Iraq. The project is anticipated to provide early incremental oil, and free cash flow to Iraq of over US\$500 million per annum after 12 months of activity.

s 33(a)(iii)

**COMMERCIAL IN CONFIDENCE**



## COMMERCIAL-IN-CONFIDENCE

### Iraq: Oil Interests

#### Australian consortium

In November 2003, major Australian oil and gas companies agreed to work as a loose consortium to investigate commercial opportunities in Iraq, including BHP Billiton, Woodside, Santos, Roc Oil, Clough, and Worley. This group has offered to fund part of the visit of the Iraqi Oil Minister to Australia in early 2004. Following the visit the consortium would also be interested in assisting with the organisation of a study tour by officials from the Oil Ministry. s 47F(1) has also offered to support the Oil Minister's visit. The Oil Minister has accepted the invitation and proposed timing of early May 2004.

#### BHP Billiton

##### s 33(a)(iii)

BHP Billiton's interest in the Halfayah field goes back to 1997, when BHP negotiated access to the Halfayah field. BHP did not enter into a contract to develop the field because of UN sanctions, but has since been monitoring developments in the area through a related company, Tigris Petroleum.

##### s 33(a)(iii)

The proposal involves the provision of technical assistance and training by BHP Billiton and Tigris Petroleum for the rehabilitation and further development of producing oil fields in southern Iraq. The project is anticipated to provide early incremental oil, and free cash flow to Iraq of over US\$500 million per annum after 12 months of activity.

##### s 22(1)(a)(ii)

COMMERCIAL-IN-CONFIDENCE

COMMERCIAL-IN-CONFIDENCE

s 22(1)(a)(ii)

s 33(a)(iii)

COMMERCIAL-IN-CONFIDENCE



Australian Government  
Department of Foreign Affairs and Trade

## Ministerial Submission

**FOR:** MR DOWNER (FOR ACTION)      MR VAILE (FOR ACTION)      MRS KELLY (FOR INFORMATION)      MR MACFARLANE (FOR INFORMATION)

**From:** s 22(1)(a)(ii)      **Contact:** s 22(1)(a)(ii)      2

**Subject:** IRAQ: COMMERCIAL OIL INTERESTS      s 22(1)(a)(ii)

**Urgency:** Not urgent

**Key Issues:**

Australian oil sector companies are stepping up their efforts in pursuit of commercial prospects in Iraq. Companies have sought increased support from the Government in a range of areas, including in relation to the replacement of an Australian oil adviser in the CPA, and funding for a gas masterplan for Iraq. It is clear from the CPA and Oil Ministry that an Australian adviser in its Oil Team is not necessary at this time, and that the focus is not on policy development. Plans are underway to bring Iraq's Oil Minister to Australia in May, with strong support and involvement of industry. Background provides an update on activities by Australian oil companies in relation to Iraq.

**Recommendations:**

That you:

- (a) note our ongoing efforts to press the CPA to accept an Australian adviser to the CPA's Oil Advisory Team.
- (b) agree to meet with the Minister for Oil during his visit to Australia in May, and to host a lunch or dinner in his honour, your schedules permitting.
- (c) note Australian companies activities and progress in pursuing commercial opportunities in Iraq.

**Decision:**

Noted

Agreed/Not Agreed

Noted

Please Discuss

**Domestic/Media Considerations:** No.

**Action:**

Alexander Downer  
/ /

Mark Vaile  
/ /

**Information:**

Noted

De-Anne Kelly  
/ /

Ian Macfarlane  
/ /



**Background:**

Investment in Iraq's oil sector is needed. There are vast opportunities for foreign oil companies, but no guarantees that the post-June provisional government will be prepared to seize and manage the oil issue confidently. s 33(a)(iii)

While decisions taken by an interim or provisional government would be surrounded by a degree of uncertainty, waiting until an elected government is in place will hamper Iraq's economic recovery, in which the oil and gas sectors are pivotal.

In light of this need, a consortium of Australian companies who are actively seeking business opportunities in the Iraqi oil and gas sector – including BHP Billiton, Woodside, Santos, Roc Oil, Clough, and Worley – have offered to fund part of the visit of the Iraqi Oil Minister to Australia in early 2004. Following the visit the consortium would also be interested in assisting with the organisation of a study tour by officials from the Oil Ministry.

s 33(a)(iii)

BHP Billiton's interest in the Halfayah field goes back to 1997, when BHP negotiated access to the Halfayah field. BHP did not enter into a contract to develop the field because of UN sanctions, but has since been monitoring developments in the area through a related company, Tigris Petroleum.

s 33(a)(iii)

The proposal involves the provision of technical assistance and training by BHP Billiton and Tigris Petroleum for the rehabilitation and further development of producing oil fields in southern Iraq. The project is anticipated to provide early incremental oil, and free cash flow to Iraq of over US\$500 million per annum after 12 months of activity.

s 22(1)(a)(ii)

s 22(1)(a)(ii)

Iraq Rehabilitation Unit, ITF

**Consultation:**

**File No.:**

- [REDACTED] -

## Iraq: Australia/UK Commercial brief

### Key issues

- . Welcome the teleconference as an opportunity to explore prospects for greater bilateral cooperation to enhance commercial prospects for Australian and UK companies in Iraq.
  - there are strategic competitive advantages to be gained by Australian and UK companies working together, and with other coalition partner companies, in bidding for major US-funded contracts
    - : Australian firms, including Worley, SAGRIC, ANZ and GRM, are already participating in a number of prime contracts as part of consortiums, primarily with US companies
    - : s 33(a)(iii)
- . We would like representatives from successful UK Prime Contractors such as AMEC (power generation) to attend the Australia/US-sponsored business conference on re-building Iraq in Sydney on 30 June 2004.
- . Note Australia's support for CPA efforts to commit the Iraqi transitional authorities to operating within the established international trade and investment framework, such as initially through gaining observer status in the WTO, and, over the longer-term, through WTO accession.
  - while recognising that backsliding on some of the CPA's more liberal economic orders, such as in regard to foreign investment, is inevitable following the transition to an interim Iraqi government, poor economic policy would set back crucial private sector recovery and erode international confidence in Iraq's economy
- . Affirm the importance of a new UNSC resolution to resolve outstanding issues arising from the transition, including the capacity of an Iraqi transitional government to enter into binding international agreements, and the future of the Development Fund for Iraq (DFI).
- . Note the security challenges facing business activity in Iraq, and seek s 47F(1) assessment on how UK firms are dealing with these difficulties.

### Background

UK firms continue to pursue aggressively opportunities in Iraq, strongly supported by the UK Government. s 33(a)(iii)

[REDACTED] led extensive lobbying in Washington over the last year in support of UK companies' commercial interests in Iraq.

UK firm AMEC (in consortium with US-based Fluor) has won a prime contract to rehabilitate Iraq's power generation capacity (US\$500 million) and two prime contracts to design and build water infrastructure (US\$1.1 billion). Foster-Wheeler has secured a minor contract to provide office support to the oil sector reconstruction

- [REDACTED] -



[REDACTED]

program. The UK division of Siemens has been active in the electricity sector, de la Rue won the contract to produce the new Iraqi dinar, s 33(a)(iii)

s 33(a)(iii)

### **Australia's Commercial interests in Iraq**

While not underestimating the strength of competition, and other challenges involved, Australian companies should be relatively well placed to benefit from commercial opportunities presented by the rehabilitation and long-term economic future of Iraq. Australia has a long-standing trading relationship with Iraq based on wheat, and is globally competitive in key sectors for both Iraq's immediate reconstruction needs and its long-term trade.

However, security concerns (coupled with significant political and legal uncertainties) are curtailing commercial activity. While Iraq's business environment will continue to pose challenges for some time yet, it has significant potential for the medium to long-term. Iraq has a sophisticated consumer base inclined to rely on imported goods. Over the longer term, the emergence of a more secure political and business environment will be essential if the economy is to attract significant foreign direct investment. This is particularly the case in sectors such as oil, which are attractive to Australian industry; patience and significant resources will be required to tap into these opportunities.

Australian companies have successfully secured a number of contracts for Iraq's rehabilitation including:

- AWB Ltd's two wheat contracts remaining in the Oil-For-Food pipeline valued at more than \$350 million were approved, and recent sales have taken total contracts since March 2003 to 1.6 million tonnes (over \$500 million);
- Worley, with Parsons, won the USACE contract late last year to rehabilitate northern Iraq's oil sector (valued at up to US\$800 million);
- SAGRIC and CSIRO, as part of a US-led consortium, secured a USAID contract (potentially worth up to US\$120m) to rehabilitate Iraq's agriculture sector, and CSIRO is assisting with the pre-feasibility study for a US\$30m project to remediate Iraq's wetlands;
- ANZ is part of an international banking consortium which is assisting with the operational management of the Iraq Trade Bank;
- SMEC have a longstanding UNDP contract to work on electricity sub-stations in Northern Iraq; and



[REDACTED]

. GRM International is part of the Bearing Point consortium that won a USAID governance and capacity building contract.

**BHP Billiton**

**s 33(a)(iii)**

. BHP Billiton's interest in this field goes back to 1997, when BHP negotiated access to it with the former regime. BHP did not enter into a contract to develop the field because of UN sanctions, but has since been monitoring developments in the area through a related company, Tigris Petroleum.

**s 33(a)(iii)**

. The proposal involves the provision of technical assistance and training by BHP Billiton and Tigris Petroleum for the rehabilitation and further development of producing oil fields in southern Iraq. The project is anticipated to provide early incremental oil to Iraq worth over US\$500 million per annum after 12 months of activity.

- [REDACTED] -

## Iraq: Commercial

### Key issues

- Welcome the proposed teleconference between Patricia Hewitt, UK Secretary of State for Trade and Industry, and Mr Vaile to explore, inter alia, prospects for greater bilateral cooperation to enhance commercial prospects for UK and Australian companies in Iraq
  - there are strategic competitive advantages to be gained by Australian companies working in partnership with UK and other coalition partner companies in bidding for major US-funded contracts
    - : Australian companies are already participating in a number of prime contracts as part of consortiums, primarily with US companies, including Worley, SAGRIC, ANZ and GRM
    - : we would be interested in further information regarding British company participation in rehabilitation work, including in Southern Iraq
    - : **s 33(a)(iii)**

s 22(1)(a)(ii)

- Note Australia's support for CPA efforts to commit the Iraqi transitional authorities to operating within the established international trade and investment framework, such as initially through gaining observer status in the WTO, and, over the longer-term, through WTO accession
  - while recognising that backsliding on some of the CPA's more liberal economic orders, such as in regard to foreign investment, is inevitable following the transition to an interim Iraqi government, this has the potential to erode international confidence in Iraq's economy and set back recovery.
- Affirm the importance of a new UNSC resolution to resolve a number of outstanding issues arising from the transition, including the capacity of an Iraqi transitional government to enter into binding international agreements, and the future of the Development Fund for Iraq (DFI)
  - this will be important in providing a reliable framework for private sector activity, essential to Iraq's economic recovery.

- [REDACTED] -

## **Background**

s 33(a)(iii)

### **Australia's Commercial interests in Iraq**

While not underestimating the strength of competition, Australia is relatively well placed to benefit from commercial opportunities presented by the rehabilitation and long-term economic future of Iraq. Australia has a long-standing trading relationship with Iraq based on wheat, and is globally competitive in key sectors for both Iraq's immediate reconstruction needs and its long-term trade.

However, security concerns (together with significant political and legal uncertainties) are curtailing commercial activity. About a dozen Australian companies are actively pursuing contracts and opportunities. While Iraq's business environment will continue to pose challenges for some time yet, it has significant potential for the medium to long-term. Iraq has a sophisticated consumer base inclined to rely on imported goods. The establishment of an elected Iraqi government should facilitate the emergence of a more secure political and business environment, including for investment in sectors such as oil, which are attractive to Australian industry, but patience and significant resources will be required to tap into these opportunities.

Australian companies have successfully secured a number of contracts for Iraq's rehabilitation including:

- . AWB Ltd's two wheat contracts remaining in the Oil-For-Food pipeline valued at more than \$350 million were approved;

- [REDACTED] -



- [REDACTED] -
- . Worley, with Parsons, won the USACE to rehabilitate northern Iraq's oil sector (valued at up to US\$800 million);
  - . SAGRIC and CSIRO, as part of a US-led consortium, won a USAID contract (potentially worth up to US\$120m) to rehabilitate Iraq's agriculture sector, and CSIRO has won a role to assist the pre-feasibility study for a US\$30m project to remediate Iraq's wetlands;
  - . ANZ is part of an international banking consortium selected to assist the establishment of the Iraq Trade Bank;
  - . SMEC have a longstanding UNDP contract to work on electricity sub-stations in Northern Iraq; and
  - . GRM International is part of the Bearing Point consortium that won a USAID governance and capacity building contract.

s 22(1)(a)(ii)

### **BHP Billiton**

#### **s 33(a)(iii)**

BHP Billiton's interest in the Halfayah field goes back to 1997, when BHP negotiated access to the Halfayah field with the former regime. BHP did not enter into a contract to develop the field because of UN sanctions, but has since been monitoring developments in the area through a related company, Tigris Petroleum.

#### **s 33(a)(iii)**

The proposal involves the provision of technical assistance and training by BHP Billiton and Tigris Petroleum for the rehabilitation and further development of producing oil fields in southern Iraq. The project is anticipated to provide early incremental oil to Iraq worth over US\$500 million per annum after 12 months of activity.

PROGRAM  
FOR THE VISIT TO  
**SPAIN**

BY

The Hon Christine Gallus MP  
Parliamentary Secretary to the Minister for Foreign Affairs

21 to 27 October 2003

*NOTE*

*This program is current as at 17 October 2003 and is a guide only. More exact information on timing and details of individual appointments and functions will be found in the local official program, which is the final authority.*

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CONFIDENTIAL

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**Official Party**

The Hon Christine Gallus  
Parliamentary Secretary to the  
Minister for Foreign Affairs

Professor Alexander Gallus

Mr Shane Fairlie  
Assistant Adviser

Ms Susan Tanner  
Ambassador

s 47F(1)

Head, Iraq Task Force

Mr Scott Dawson  
Deputy Director General  
AusAID

Mr Neil Mules  
Head, Australian Reconstruction Office, Baghdad

s 22(1)(a)(ii)

CONFIDENTIAL



CONFIDENTIAL

### BHP Billiton

BHP Billiton is a world-leading diversified resources group, with an enterprise value of around US\$ 31 billion. The company was formed following the recent merger of BHP Limited and Billiton. Its main activities are the exploration, production and processing of minerals and the exploration and development of oil and gas.

BHP Billiton Petroleum, one of the main BHP Billiton businesses, is an international oil and gas exploration and production company with a predominant upstream emphasis. It has interests and activities in 11 countries, with a portfolio that includes major developing and producing assets in Australia, the UK, Algeria, Pakistan, and offshore in the Gulf of Mexico, as well as production in Bolivia. As an operator, BHP Billiton Petroleum is used to delivering technically challenging developments in difficult environments. The company also has experience in joint developments, technical service agreements and joint feasibility studies with national oil companies and governments.

Petroleum has recently commissioned two major developments: a US\$150 million project in Pakistan, and a US\$1 billion development in Algeria.

s 33(a)(iii)

The project is anticipated to provide early incremental oil and revenue to Iraq of over US\$0.5 billion per annum after some 12 months of activity. It specifically addresses the critical shortfall in production (and indirectly government revenues) during the period between the completion of activities targeting the return of pre-war oil sector volumes and the material production impact of FDI under a stable Iraqi regime.

s 22(1)(a)(ii)

**BHP Billiton Petroleum Representative:** s 47F(1)

s 22(1)(a)(ii)

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**Briefing for Mr Downer's Meeting with s 33(a)(iii)****et al****Key Issues****s 33(a)(iii)**

- Recognise their long commitment to the project
  - : Understand that BHP is now keen to commence development of Halfayah immediately in concert with other Consortium members

**s 33(a)(iii)**

Affirm the Government's support for Australian companies playing an important role in rehabilitating Iraq

- the resumption of large-scale commercial activities will be key in revitalising Iraq's economy and helping to normalise daily life for ordinary Iraqis, but security remains a major constraint

Note that you will be opening the Australian Representative Office in Baghdad on 23 May to be headed by Neil Mules, **s 33(a)(iii)**

- the ARO will provide assistance to Australian companies once it has been established.

**Background**

The Halfayah Oil Field is one of five strategic, undeveloped oil fields situated in Southern Iraq. It contains nearly five billion barrels of recoverable oil and is equivalent in size to the original oil reserves discovered in the Bass Strait – a massive resource and major investment opportunity in industry terms. BHP advises that the development of the field would require an investment of around US\$2 billion. It estimates that production would plateau at 250,000 barrels of oil per day.

According to BHP, during the mid to late 1990's the Iraqi Ministry of Oil in Baghdad concluded negotiations with a number of international oil companies for the development of the five fields: Lukoil of Russia for West Qurna; Total/Elf (now TotalFinaElf) of France for Majnoon and Nahr Umr; ENI of Italy for Nasiriyah (in competition with Repsol of Spain); and BHP for Halfayah.

In September 2000, BHP transferred its rights in Halfayah to a joint venture led by Tigris Petroleum, a company formed by former BHP executives, headed by Norman Davidson Kelly, who was responsible for the original BHP negotiations over Halfayah. Kelly assumed responsibility for maintaining relationships with Iraq by working on oil-for-food related projects until

sanctions were removed. s 33(a)(iii)

The Consortium is ready to commence development of Halfayah immediately and assesses that the engineering design work it has done gives it at least two years head-start over any other company. Discussions are underway with Royal Dutch Shell, which is seeking a significant interest in the consortium. BHP does not seek to be the operating company in any development of Halfayah but is seeking to draw in a third party to take on that role. BHP Billiton has advised that, although the technical details of the development plan for Halfayah and the commercial documentation were substantially agreed at the time with the Iraqi authorities, it chose not to sign the agreements.<sup>s 47E(d)</sup>

Of the successful bidders,

only Lukoil signed its agreement.

s 33(a)(iii)



## Call on Paul Bremer, Head of the Coalition Provisional Authority

### Key Issues

s 22(1)(a)(ii)

s 22(1)  
(a)(ii)

### j) s 33(a)(iii)

Register that BHP has completed extensive engineering work and is ready to commence development of Halfayah immediately with other Consortium members.

### Background

s 22(1)(a)(ii)



s 22(1)(a)(ii)

BHP

BHP advised that during the mid to late 1990's the Iraqi Ministry of Oil in Baghdad concluded negotiations with a number of international oil companies for the development of the five fields: Lukoil of Russia for West Qurna, Total/Elf (now TotalFinaElf) of France for Majnoon and Nahr Umr, ENI of Italy for Nasiriyah (in competition with Repsol of Spain) and BHP for Halfayah.

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### Talking points

s 22(1)(a)(ii)

- Support BHP-Billiton's proposal to rehabilitate the North Rumaila oilfield in conjunction with its partner company, Tigris Petroleum.

s 22(1)(a)(ii)

### Background – BHP-Billiton proposal to rehabilitate North Rumaila

The proposal involves the provision of technical assistance and training by BHP-Billiton and Tigris Petroleum for the rehabilitation and further development of producing oil fields in southern Iraq, initially the North Rumaila oil field. The project is anticipated to provide early incremental oil, and free cash flow to Iraq of over US\$500 million per annum after some 12 months of activity.

BHP-Billiton would provide the capital and expertise for the project, and would earn a commercial margin on completion of the work. s 33(a)(iii)

**Conference on “The Role of the Private Sector  
in the Development of the new Iraq”** <sup>s 22(1)(a)</sup>  
<sub>(ii)</sub>

**Profiles of Australian business delegation**





COMMERCIAL-IN-CONFIDENCE

**BHP Billiton**

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Petroleum has recently commissioned two major developments: a US\$150 million project in Pakistan, and a US\$1 billion development in Algeria.

s 33(a)(iii)

. The project is anticipated to provide early incremental oil and revenue to Iraq of over US\$0.5 billion per annum after some 12 months of activity. It specifically addresses the critical shortfall in production (and indirectly government revenues) during the period between the completion of activities targeting the return of pre-war oil sector volumes and the material production impact of FDI under a stable Iraqi regime (projected for the 2007-07 period).

s 22(1)(a)(ii)

s 47F(1)

**BHP Billiton Petroleum Representative:**

s 47F(1)



### Status of Australian Commercial Interests in Iraq

Status	Company	Project/Sector	Key Account Manager	Remarks	Dependencies for success	Action Steps/ Pressure Points
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s 22(1)(a)(ii)

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s 22(1)(a)(ii)





s 22(1)(a)(ii)

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<i>Actively Engaged</i>	BHP Petroleum	Oil and Gas	s 47F(1)	- via Tigris Petroleum, <sup>s 33(a)(iii)</sup>	s 33(a)(iii)	- s 33(a)(iii)
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s 22(1)(a)(ii)

s 22(1)(a)(ii)			(DFAT - ZA)	s 33(a)(iii)	s 33(a)(iii)	
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s 22(1)(a)(ii)







Australian Government  
Department of Foreign Affairs and Trade

### Ministerial Submission

FOR: MR DOWNER MR VAILE MRS :s 22(1)(a)(ii)  
(FOR INFORMATION) (FOR INFORMATION) (FOR INFORMATION)  
From: s 22(1)(a)(ii) Contact:

Subject: IRAQ: OIL: STATUS OF APPLICATIONS FROM AUSTRALIA COMPANIES

Urgency: Not urgent

**Key Issues:**  
You (Mr Downer) met with representatives of BHP Billiton, Woodside, and Global Petroleum in Davos on 24 January and advised them of the importance of building face-to face links in Baghdad. Iraq's oil sector needs investment, and there are vast opportunities, but the Oil Ministry's leadership needs to be strengthened and empowered to enable confident decision-making. Following, for your information, is an update on the status of applications (to date) by Australian oil companies wishing to invest in Iraq's oilfield rehabilitation and development.

**Recommendations:**  
That you:

a) that you note the status of applications from Australian oil companies wishing to invest in Iraq's oilfield rehabilitation and development.

**Decision:**  
Noted

Please Discuss


Domestic/Media Considerations: No.  
Action:

Noted

Information:

Alexander Downer / / Mark Vaile / / De-Anne Kelly / /



  
**Background:**

Investment in Iraq's oil sector is needed. There are vast opportunities for foreign oil companies, but no guarantees that the post-June provisional government will be prepared to seize and manage the oil issue confidently. s 33(a)(iii)

The Ministry's leadership needs to be strengthened and empowered to enable confident decision-making.

In light of this need, a consortium of Australian companies who are actively seeking business opportunities in the Iraqi oil and gas sector – including BHP Billiton, Woodside, Santos, Roc Oil, Clough, and Worley – have offered to fund part of the visit of the Iraqi Oil Minister to Australia in early 2004. Following the visit the consortium would also be interested in assisting with the organisation of a study tour by officials from the Oil Ministry.

BHP Billiton, Global Petroleum, and Woodside are currently involved in discussions with the Oil Ministry regarding proposed developments in Iraq's oilfields.

BHP Billiton is in discussions with the CPA and the Iraqi Ministry of Oil over its rights to the Halfayah field. BHP Billiton's interest in the Halfayah field goes back to 1997, when BHP negotiated access to the Halfayah field. BHP did not enter into a contract to develop the field because of UN sanctions, but has since been monitoring developments in the area through a related company, Tigris Petroleum.

**s 33(a)(iii)**

The proposal involves the provision of technical assistance and training by BHP Billiton and Tigris Petroleum for the rehabilitation and further development of producing oil fields in southern Iraq. The project is anticipated to provide early incremental oil, and free cash flow to Iraq of over US\$500 million per annum after 12 months of activity.

s 22(1)(a)(ii)

s 22(1)(a)(ii)

Director  
Iraq Rehabilitation Unit, ITF

**Consultation:**

File No.:





COMMERCIAL IN CONFIDENCE

s 47E(d)



FOREIGN AFFAIRS AND TRADE

Ministerial Submission

13 MAY 2003

FOR: MR DOWNER (FOR ACTION)

MR VAILE (FOR INFORMATION)

From: s 47F(1) FAS ITFS

Contact: s 22(1)(a)(ii), Dir ITF, x 2211000

Subject: IRAQ: BHP BILLITON RIGHTS TO THE HALFAYAH OIL FIELD

Urgency: For decision before your meeting with s 33(a)(iii) of BHP Billiton in London

Key Issues:

During your (Mr Downer) visit to London you will meet s 33(a)(iii) and other BHP Billiton representatives who will seek Government support for BHP Billiton's/Tigris Petroleum Consortium's claims to the Halfayah oil field in southern Iraq. s 33(a)(iii)

Recommendations:

That you:

- (a) note that you have agreed to meet s 33(a)(iii) in London s 33(a)(ii)
- (b) s 33(a)(iii)
- (c) s 33(a)(iii)

Decision:

Noted

Agreed

Agreed

Please

Domestic/Media Considerations: No.

Action:

*Alexander Downer*

Alexander Downer  
14/5/03

Information:

Mark Vaile  
/ /

**COMMERCIAL IN CONFIDENCE****Background:**

Your meeting with <sup>s 33(a)(iii)</sup>  
s 33(a)(iii)

and other BHP Billiton representatives on 19 May in London

The Halfayah Oil Field is one of five strategic, undeveloped oil fields situated in Southern Iraq. It contains nearly five billion barrels of recoverable oil and is equivalent in size to the original oil reserves discovered in the Bass Strait – a super-giant resource in industry terms. BHP advises that the development of the field would require an investment of around US\$2 billion. It estimates that production would plateau at 250,000 barrels of oil per day. This is a major investment opportunity.

BHP advised that during the mid to late 1990's the Iraqi Ministry of Oil in Baghdad concluded negotiations with a number of international oil companies for the development of the five fields: Lukoil of Russia for West Qurna, Total/Elf (now TotalFinaElf) of France for Majnoon and Nahr Umr, ENI of Italy for Nasiriyah (in competition with Repsol of Spain) and BHP for Halfayah.

In September 2000, BHP transferred its rights in Halfayah to a joint venture led by Tigris Petroleum, a company formed by former BHP executives, headed by Norman Davidson Kelly, who was responsible for the original BHP negotiations over Halfayah. Kelly assumed responsibility for maintaining relationships with Iraq by providing assistance by working on oil-for-food related projects until sanctions were removed. <sup>s 33(a)(iii)</sup>  
s 33(a)(iii)

The Consortium is ready to commence development of Halfayah immediately and assesses that the engineering design work it has done gives it at least two years head-start over any other company. Discussions are underway with Royal Dutch Shell, which is seeking a significant interest in the consortium. BHP does not seek to be the operating company in any development of Halfayah but is seeking to draw in a third party to take on that role. BHP Billiton has advised that although the technical details of the development plan for Halfayah and the ~~commercial documentation~~ were substantially agreed at the time with the Iraqi authorities, <sup>s 47E(d)</sup> it chose not to sign the agreements.

Of the successful bidders, only Lukoil signed its agreement.

s 33(a)(iii)

s 47F(1)

s 47F(1)  
First Assistant Secretary  
Iraq Task Force

Consultation: ILD

File No.:

**COMMERCIAL IN CONFIDENCE**



FOREIGN  
AFFAIRS AND  
TRADE

## Meeting Brief

**FOR:** MR DOWNER

**From:** s 47F(1), AS TAB TDD, s 22(1)(a)(i) **Contact:** s 22(1)(a)(ii)

**YOUR MEETING WITH:** **MR PHILIP AIKEN, CEO BHP BILLITON PETROLEUM AND MR TOM HARLEY, VICE PRESIDENT, BHP BILLITON - AT 1730 ON 18 AUGUST**

**Main issues/outcomes:**

- (a) You are meeting with senior representatives of BHP Billiton who wish to discuss the following major overseas exploration and development interests.
- (b) s 33(a)(iii)

s 22(1)(a)(ii)

The notetaker at this meeting will be: s 22(1)(a)(ii)

s 22(1)(a)(ii)

Assistant Secretary  
Trade and Economic Analysis Branch

**Domestic considerations:** No.

**Consultation:** s 33(a)(iii)

**File no.:**

**Noted**

Alexander Downer  
/ /

**Attachment: biographical details**

[more detailed bios requested from BHPB]

s 47F(1)



## Background

### **BHP Company Profile**

BHP Billiton claims to be the world's largest diversified resources company, with interests in aluminium, energy and metallurgical coal, copper, ferro-alloys, iron ore, titanium minerals, crude oil, gas, liquefied natural gas, nickel, diamonds and silver. The company employs around 38,000 people in more than 100 operations in approximately 20 countries.

- BHP Billiton was created through the Dual Listed Companies (DLC) merger of BHP Limited (now BHP Billiton Limited) and Billiton Plc (now BHP Billiton Plc), which was concluded on 29 June 2001.
- BHP Billiton Limited and BHP Billiton Plc continue to exist as separate companies, but operate on a combined basis as BHP Billiton. The headquarters of BHP Billiton Limited, and the global headquarters of the combined BHP Billiton Group, are located in Melbourne, Australia. BHP Billiton Plc is located in London, United Kingdom. Both companies have identical Boards of Directors and are run by a unified management team. Shareholders in each company have equivalent economic and voting rights in the BHP Billiton Group as a whole.

In 2002, BHP Billiton generated turnover of US\$17.8 billion, earnings before interest and tax (EBIT) of US\$3.2 billion and operating cash flow after interest and tax of US\$3.9 billion. In late 2002, the company's market capitalisation was US\$32.6 billion. BHP Billiton's share price stands at around AUD\$13.35 (mid August 2003). The company's share price has increased from around AUD\$10.00 a year ago and from around AUD\$11.00 three months ago.

### **Iraq**

s 33(a)(iii)

- BHP concluded a draft agreement with the Iraqi Ministry of Oil in 1996-97 for development rights to the Halfayah oilfield in Southern Iraq. However, BHP decided not to proceed with the venture, concerned that to do so would breach UN sanctions. In September 2000, BHP transferred its rights in the Halfayah field to a consortium led by Tigris Petroleum (run by former BHP executives).

s 33(a)(iii)

s 33(a)(iii)



## PRIVATE SECTOR

## PRIVATE SECTOR & COMMERCIAL INTERESTS

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### KEY ISSUES/TALKING POINTS

- Iraq's economic recovery will require major private sector trade and investment, not just aid
  - The Private Sector Conference to be held in parallel to the Donors' Conference in Madrid recognises this imperative.
- Australian companies are competitive in a range of industry sectors in the Middle East, and Australian capability is well recognised in the region.
- Welcome the recent announcement that Australian company SAGRIC, in a consortium led by US company DAI, was successful in their bid for USAID's contract for agriculture rehabilitation.

s 33(a)(iii)

### BACKGROUND

s 33(a)(iii)

, (See company profiles).

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Australian companies are competing for funding s 33(a)(iii)  
Development Fund for Iraq, the UN and the World Bank in due course.

, the

**USAID procurement**

s 33(a)(iii)

**AUSTRALIAN COMMERCIAL INTERESTS BY SECTOR**

s 22(1)(a)(ii)

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s 22(1)(a)(ii)

### Oil & Gas

s 22(1)(a)(ii)

- BHP Petroleum is committed to securing a stake in the future development of Iraq's oil industry. BHP-Billiton has an ongoing interest in development of the Halfayah oil field and in the provision of technical assistance to the Iraqi Ministry of Oil to rehabilitate existing oilfields also in southern Iraq.

s 22(1)(a)(ii)



## BHP – Contribution to meeting brief

s 33(a)(iii)

### Background

s 33(a)(iii)

In 1996/97, BHP concluded a draft agreement with the Iraqi Ministry of Oil for development rights to the Halfayah oilfield in Southern Iraq. However, BHP decided not to proceed with the venture, concerned that to do so would breach UN sanctions. In September 2000, BHP transferred its rights in the Halfayah field to a consortium led by Tigris Petroleum (run by former BHP executives).

s 33(a)(iii)

The present security situation, prevailing legal uncertainties, and the political sensitivity of oil pose significant challenges for potential commercial participants in this sector. s 33(a)(iii)

BHP-Billiton should be aware that if their proposal to rehabilitate Rumalia were to go forward, the project would have to be put to tender – with attendant commercial risk for BHP-Billiton.

s 33(a)(iii)





FOREIGN  
AFFAIRS AND  
TRADE

### Ministerial Submission

FOR: MR DOWNER (FOR ACTION) MR VAILE (FOR ACTION) MRS GALLUS (FOR INFORMATION)  
 From: s 47F(1), Head, ITF, s Contact: s 22(1)(a)(ii)

Subject: IRAQ: BHP BILLITON: OIL FIELD REHABILITATION PROPOSAL

Urgency: For signature before 21 October

Key Issues:  
s 33(a)(iii)

**Recommendations:**

That you:  
(write) s 33(a)(iii)

(b)

(c)

**Decision:**

Noted

Agreed/Not Agreed

Signed/Not Signed

Please Discuss

Domestic/Media Considerations: Yes Significant commercial interest

Action:

Alexander Downer  
/ /

Mark Vaile  
/ /

Information:

Noted

Chris Gallus  
/ /

**Background:**

s 33(a)(iii)

BHP advises that the target field, the North Rumaila oil field which BHP studied in 1998/1999, is not included in the list of projects under USACE's Operation RIO [Restore Iraq's Oil], and is unlikely to be included in the MoO's activities in a post-RIO environment.

s 33(a)(iii)

BHP has undertaken to discuss the proposal with Santos, Woodside and Worley with a view to forming a consortium, which may also include international oil interests, to implement the proposal. If feasible, the project would promise substantial economic benefits for Iraq and commercial advantage for Australia. There are, however, likely to be problems in establishing a legal framework (especially after a transition from CPA administration), in securing a reliable return on the investment, and in redeveloping a field within the envisaged timeframe. s 33(a)(iii)

s 47F(1)

Head  
Iraq Task Force

Consultation: s 33(a)(iii)

File No.:



## Call on BHP Billiton

### Key Issues

s 33(a)(iii)

- c) Affirm the Government's support for Australian companies playing an important role in rehabilitating Iraq. The resumption of large-scale commercial activities will be key in revitalising Iraq's economy and helping to normalise daily life for ordinary Iraqis, but security remains a major constraint.
- d) Iraq will also face a big challenge in moving from a command economic to a market one: given the sensitivity and centrality of oil – and the politics of its earlier nationalisation – it is unclear as yet what structures will apply. But we have placed a petroleum expert in ORHA to keep us advised of developments s 33(a)(iii)
- e) Note that you will be opening the Australian Representative Office in Baghdad on 23 May to be headed by Neil Mules, s 33(a)(iii). The ARO will provide assistance to Australian companies once it has been established.

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s 33(a)(iii)