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Press Release

**Dentons advises on first Iranian Petroleum Contract signed since relaxation of sanctions against Iran**

*The Firm has advised Total on its development and production service contract to develop phase 11 of the giant South Pars gas field*

**July 2017**—Dentons UKMEA LLP and Dentons Europe LLP are pleased to have advised Total on the signing of a 20-year development and production service contract with the National Iranian Oil Company (NIOC) for the development of phase 11 of South Pars, the world's largest natural gas field. The contract has been agreed within the framework of principles set out in the Iranian Petroleum Contract recently approved by the Iranian government and is the first such contract to be signed since sanctions against Iran were relaxed in 2016.

Under the terms of the agreement, Total will operate the South Pars project with a 50.1% interest alongside Petropars (19.9 per cent), a 100 per cent subsidiary of NIOC, and the Chinese state-owned oil and gas company CNPC (30 per cent).

[**Alistair Black**](https://www.dentons.com/en/alistair-black), Energy partner at Dentons UKMEA, said, "This risk service contract is the first long-term contract for an upstream project signed since sanctions against Iran were relaxed last year. We are very pleased to see this deal finalised for Total and expect that it will serve as a benchmark for future development and production service contracts in Iran."

Dentons Europe Energy partner [**Ramin Hariri**](https://www.dentons.com/en/ramin-hariri)added, "The new model contract offers more certainty to investors than the previous model, lasting for a period of 20 years and providing remuneration based on production instead of a percentage of the development costs."

The South Pars 11 project will have a production capacity of two billion cubic feet per day, or 400,000 barrels of oil equivalent per day. The produced gas will be fed into Iran's gas network. This latest move follows Total's successful development phases of 2 and 3 of South Pars in the 2000s. This project fits with Total’s strategy of expanding its presence in the Middle East and growing its gas portfolio by adding low unit cost, long plateau gas assets.

The Dentons UKMEA and Dentons Europe team advising Total was led by Paris-based partner Ramin Hariri and London-based partner Alistair Black with support from partners [**Charles Wood**](https://www.dentons.com/en/charles-wood) and [**Andrew Cheung**](https://www.dentons.com/en/andrew-cheung), senior associate [**Christopher Thomson**](https://www.dentons.com/en/christopher-thomson), and associates [**Claudine Raffray**](https://www.dentons.com/en/claudine-raffray) and [**Liam O'Flynn**](https://www.dentons.com/en/liam-o'flynn), all based in London. Partners [**Jean-Christophe Honlet**](https://www.dentons.com/en/jeanchristophe-honlet) and [**Vincent Lacombe**](https://www.dentons.com/en/vincent-lacombe) in Paris also advised, and from APP (in association with Dentons Europe LLP) in Tehran, **Navid Sato**, **Nima Nasrollahi** and **Arash Shahrokhy**.

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