

LIBYA

US Official Urges Japan To Seek 'Libyan Rather Than Iranian Oil'

A senior US government official recently suggested that Japan should reconsider its oil development deal with Iran and obtain oil from Libya instead, according to a *Kyodo* news agency report on 6 August. The unofficial suggestion was made to an official of the Ministry of Economy. The US has consistently opposed the plan by a consortium of Japanese firms to develop the Azadegan oilfield – for which a \$2bn development accord was signed last February (*MEES*, 23 February). Washington is concerned both about Iran's alleged support for international terrorism and the country's nuclear program, believing that Tehran is intent on producing nuclear weapons.

It was Libya's agreement to dismantle all of its weapons of mass destruction that eased the way towards the resumption of relations between Tripoli and Washington. Over recent weeks, commercial contacts have intensified, with a 10-company business delegation – sponsored by the US Corporate Council on Africa and including representatives from US giants like Raytheon, DaimlerChrysler, NorthropGrumman, Motorola and Fluor – visiting Tripoli in early August, the first such visit in more than 17 years. The delegation held talks with several senior Libyan officials, including the Secretary of Energy, Fathi bin Shatwan (and not 'Abd al-Hafiz Zleitini, as incorrectly reported in *MEES*, 9 August). Negotiations for the return of US oil companies to their assets in Libya are continuing, but indications are that little progress is being made. The Oasis Group (Amerada Hess, ConocoPhillips and Marathon) and Occidental are seeking new terms for re-entry to Libya, while the Tripoli authorities continue to insist on the four firms resuming operations on the same terms as before.

Germany/Libya Compensation Deal

Germany and Libya on 10 August reached an agreement on compensating scores of people wounded by the 1986 bombing of a Berlin nightclub. Tripoli has agreed to pay a total of \$35mn to non-US nationals who were hurt – to be handed over in three amounts over six months. The bomb killed two US soldiers and a Turkish woman and wounded more than 250 people. Immediately after the bombing, President Ronald Regan ordered the bombing of Libya. A German government statement welcomed the compensation deal with Tripoli, adding that it would pave the way for better relations between Libya and the EU. US citizens are now also demanding compensation.

MOROCCO

UK-Australian JV Signs Morocco Offshore Reconnaissance Accord; Spain Demands Details

A consortium consisting of the UK's Afrex, and Cooper Energy and Pancontinental Oil & Gas, both of Australia, on 29 July signed an agreement with the Moroccan state oil company ONAREP, paving the way for the granting of a reconnaissance license (RL) to explore for oil and gas in the Mediterranean offshore Morocco. Afrex is operator for the venture with a 48% interest, while Pancontinental holds 32% and Cooper 20%. The joint venture covers the 6,457 sq km Mediterranean Est RL which is bounded by the Morocco-Spain maritime border to the north and the Morocco-Algeria maritime border to the east. In the first year minimum work program, the companies will shoot 500km of 2D seismic and study existing data. Cooper is earning its 20% in the RL by contributing \$175,000 towards the first year program and may elect to acquire a further 10% interest by contributing the same amount for the second year.

Spain has asked Morocco for information about the agreements, according to a Spanish diplomat. "What we are doing," he said, "is studying the nature of these contracts to see if they affect our sovereign rights in our waters and take into account the consequences." The Spanish daily *Expansion* said on 3 August that the concession area includes "waters that Spain traditionally considers as its own: those surrounding [the Spanish enclave of] Melilla, the Chaffarinas archipelago and Alboran Island." The paper went on to quote Morocco's Foreign Minister Mohamed Benaissa as saying that his government would "welcome any Spanish proposal about the subject and open a constructive dialogue."