

HERBERT SMITH FREEHILLS ADVISES CHINA NATIONAL PETROLEUM CORPORATION ON MILESTONE ENERGY DEAL IN IRAN

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Deals and cases

Leading global law firm Herbert Smith Freehills has advised the international division of state-owned China National Petroleum Corporation (CNPCI) on its investment in the development of Phase 11 of the South Pars gas project.

The signing in Tehran on 3 July marks the first foreign oil and gas contract signed in Iran since economic sanctions were lifted in 2016, and the first under the new Iranian Petroleum Contract (IPC) regime that is slated to bring Iran back into the international oil and gas market.

The deal secures CNPCI a 30% stake in the US\$4.8 billion project, with Total taking 50.1% and Iran's Petropars taking the remainder.

The project will have a production capacity of 2 billion cubic feet per day or 400,000 barrels of oil equivalent per day including condensate. The produced gas will supply the Iranian domestic market starting in 2021.

Partner [Hilary Lau](#) led the team advising CNPCI, assisted by partner [Monica Sun](#), senior associates Calvin Ho, Hao Su, James Zhang and Jie Li, associate Helen Huang and trainee solicitor Cynthia Zhang.

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