

2.4 Enefit's oil shale development projects in Jordan

Andres Anijalg

Enefit, Tallinn, Estonia

Enefit (known as Eesti Energia in Estonia) is the largest oil shale processing enterprise worldwide. Enefit is involved in all aspects of the oil shale business from mining (open pit, underground) to power and shale oil production. Enefit has decided to take advantage of this experience and has started investigating oil shale deposits with economic potential all around the world. While multiple studies are ongoing, the most advanced are the power and oil projects in Jordan, which were officially started in 2006.

After presenting the results of a Feasibility Study to the Government of Jordan in 2008, Enefit has formally agreed to and signed a 44+10 year Concession Agreement with the Government of Jordan in May 2010. The Concession Agreement was signed through the local subsidiary Jordan Oil Shale Energy Company and is a comprehensive document which regulates several important disciplines for establishing an oil shale industry including project development stages and timelines, fiscal regime, and environmental framework.

Although the cooperation between Enefit and Jordan was started with a project for producing shale oil, EE has signed an additional exclusive agreement to investigate the feasibility of constructing a 600-900 MW oil shale-fueled power station (direct combustion) in Jordan where the Feasibility Study is currently ongoing.

As the aforementioned Concession Agreement is the first document of its kind and is likely to be taken as an example for similar agreements in other countries with significant oil shale resources, the presentation will summarize the key aspects from the perspective of a government and a developer in agreeing to a long term concession on oil shale. The presentation will also describe the details of the ongoing pre-development stage for proving the resource and confirming the technology for establishing a commercial oil shale industry in Jordan.