

Iran promises it will foil bid by Washington to block oil exports

WARNS SAUDI ARABIA WILL NEVER TAKE TEHRAN'S PLACE ON INTERNATIONAL OIL MARKET

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IRAN VOWED to defeat US efforts to block its oil exports and warned rival producer Saudi Arabia it would never take Tehran's "place" on the international oil market.

"We will surely do something to thwart the US rallying cry that Iranian oil [exports] must be stemmed," First Vice President Eshagh Jahangiri said in a statements broadcast on state television.

"The [Iranian] government has a plan... and God willing we are certain that we will be able to sell as much oil as we want," he said.

The United States exited from the nuclear deal between Iran and world powers in May and said it would reimpose economic sanctions on the Islamic republic and its business partners by November 4.

Last Tuesday, a senior State Department official described tightening the noose on Tehran as "one of our top national security priorities".

The official warned countries including China and India, who are key buyers of Iranian oil, that they should stop purchasing crude from the country before the November deadline or face US sanctions.

European countries have been attempting to negotiate exemptions for their companies, but the official confirmed that US President Donald Trump intends to stick to his deadline.

"We're not granting waivers," the official said.

Jahangiri's remarks came a day after Trump said that Saudi Arabia's King Salman had agreed to his request to ramp up oil production.

"Just spoke to King Salman of Saudi Arabia and explained to him that, because of the turmoil & dysfunction in Iran and Venezuela, I am asking that Saudi Arabia increase oil production, maybe up to 2,000,000 barrels, to make up the difference," Trump said in a tweet on Saturday.

"Prices too high! He has agreed!" Trump added.

Jahangiri said it was not that

"simple". "They're begging the Saudis to raise their output so that if Iran's quota decreases nothing will happen to the markets," said Jahangiri.

"In this battle, any country that tries to take Iran's place on the oil market will be guilty of treason against Iran... and surely one day it will pay the price of this treason," he said.

The official *Saudi Press Agency* confirmed a phone call between Trump and Salman about oil, but mentioned no specifics, and the White House later struck a more cautious tone, saying in a statement the two leaders had "reaffirmed their

dedication to a healthy and stable global energy market".

Tehran and Riyadh are members of the Organisation of Petroleum Exporting Countries (Opec), a cartel that manages supply to the global market via production quotas so as to keep prices in member states' favour.

Iran and Saudi Arabia broke off diplomatic relations in 2016 and are locked in several proxy wars in the Middle East, including in Yemen.

Opec members agreed on June 22 to increase collective production by around one million barrels per day, in a context where oil prices have

WITHOUT NAMING SAUDI ARABIA, IRAN'S OIL MINISTER BIJAN ZANGENEH WROTE TO THE ORGANISATION OF PETROLEUM EXPORTING COUNTRIES (OPEC) THAT "ANY INCREASE" IN PRODUCTION BY ANY MEMBER STATE "BEYOND COMMITMENTS STIPULATED IN OPEC'S DECISIONS ... WOULD CONSTITUTE [A] BREACH OF THE AGREEMENT".

approximately doubled from a 2016 low.

But members did not reach a decision "to assign any allocated production level of any member to others", Iran's Oil Minister Bijan Zangeneh said in a letter addressed to the oil cartel published by the ministry's *Shana* news agency.

Without naming Saudi Arabia, Zangeneh wrote "any increase" in production by any member state "beyond commitments stipulated in Opec's decisions ... would constitute [a] breach of the agreement".

The letter calls on the president of Opec to "remind" member states to "adhere to their commitments ... and refrain from any unilateral measures undermining the unity and independence" of Opec.

Iran possesses the second-largest gas reserves on the planet, after Russia, and the fourth-largest oil supplies, while Saudi Arabia is the world's biggest oil exporter.



An oil facility on Iran's Kharg Island on the shore of the Gulf. A senior US State Department official has described tightening the noose on Tehran as "one of our top national security priorities".