



10 DOWNING STREET

From the Private Secretary

1 May 1981

Qatar - North West Dome Gas Field

During the Prime Minister's brief visit to Qatar last week, there was some discussion of the North West Dome gas field, which is said to be the largest gas field in the world. At present, the Qataris are considering how it might be developed. In speaking to the Amir, the Prime Minister said that she believed BP could play a major role. The other British contender, Shell, is not really in the running because they are under a cloud in Qatar - because of recent problems with two gas pipelines and a gas separation unit for which they have been responsible.

We were told by our Ambassador that the Qataris have asked the Bank to carry out a study of the various options for the development of this field and related downstream activities. He said that he understood the Bank would not be making recommendations on the merits and demerits of the various companies who are interested in getting involved in the development of the field; but no doubt the recommendations will have some bearing on the bidding procedures which the Qataris adopt and the prospects of the individual companies. We were told that BP's main contender was likely to be CFP of France.

Since presumably there is no Bank financing involved in this study, I imagine that it is not something which would normally reach the Bank board. However, it is clearly of interest to us, and it would be helpful if you could find out about the scope of the study and give us any indication that you can get of what is likely to come out of it. Needless to say, an indication from you, in whatever form you thought appropriate, that HMG are following with close interest the development of the gas field, and in particular the prospects of British companies getting major contracts, would be useful.

I should mention, finally, that I spoke briefly about all this to Reiner Steckhan (Head of the Bank's European office in Paris) whom I met for lunch earlier this week. He took the point that we have an interest in the outcome of the study, and said he himself would make some enquiries when he visits Washington next week.

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I am sending a copy of this letter to Francis Richards (Foreign and Commonwealth Office) and Julian West (Department of Energy).

John Anson, Esq., CB.

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