

## "Operation Libya" and the Battle for Oil

Пише: Michel Chossudovsky  
четвртак, 17 март 2011 19:33

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(Global Research, March 9, 2011)



### Part II - "Operation Libya" and the Battle for Oil: Redrawing the Map of Africa

*Click to consult Part I: [Insurrection and Military Intervention: The US NATO Attempted Coup d'Etat in Libya?](#)*

The geopolitical and economic implications of a US-NATO led military intervention directed against Libya are far-reaching.

Libya is among the World's largest oil economies with approximately 3.5% of global oil reserves, more than twice those of the US.

"Operation Libya" is part of the broader military agenda in the Middle East and Central Asia which consists in gaining control and corporate ownership over more than sixty percent of the world's reserves of oil and natural gas, including oil and gas pipeline routes.

"Muslim countries including Saudi Arabia, Iraq, Iran, Kuwait, the United Arab Emirates, Qatar, Yemen, Libya, Egypt, Nigeria, Algeria, Kazakhstan, Azerbaijan, Malaysia, Indonesia, Brunei, possess between 66.2 and 75.9 percent of total oil reserves, depending on the source and methodology of the estimate." (See Michel Chossudovsky, [The "Demonization" of Muslims and the Battle for Oil](#), Global Research, January 4, 2007) .

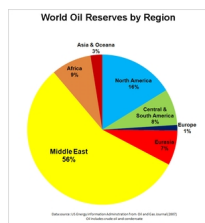
With 46.5 billion barrels of proven reserves, (10 times those of Egypt), Libya is the largest oil economy in the African continent followed by Nigeria and Algeria(Oil and Gas Journal). In contrast, US proven oil reserves are of the order of 20.6 billion barrels (December 2008) according to the Energy Information Administration.

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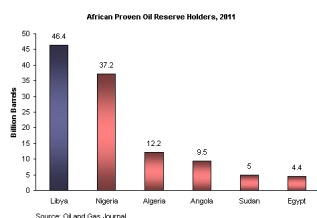
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## [U.S. Crude Oil, Natural Gas, and Natural Gas Liquids Reserves](#)

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The most recent estimates place Libya's oil reserves at 60 billion barrels. Its gas reserves at 1,500 billion m<sup>3</sup>. Its production has been between 1.3 and 1.7 million barrels a day, well below its productive capacity. Its longer term objective is three million b/d and a gas production of 2,600 million cubic feet a day, according to figures of the National Oil Corporation (NOC).



The (alternative) BP Statistical Energy Survey (2008) places Libya's proven oil reserves at 41.464 billion barrels at the end of 2007 which represents 3.34 % of the world's proven reserves. (Mbendi [Oil and Gas in Libya - Overview](#) ).

## Oil is the "Trophy" of US-NATO led Wars

An invasion of Libya under a humanitarian mandate would serve the same corporate interests as the 2003 invasion and occupation of Iraq. The underlying objective is to take possession of Libya's oil reserves, destabilize the National Oil Corporation (NOC) and eventually privatize the country's oil industry, namely transfer the control and ownership of Libya's oil wealth into foreign hands.

The National Oil Corporation (NOC) is ranked 25 among the world's Top 100 Oil Companies. ( [The Energy Intelligence ranks NOC 25 among the world's Top 100 companies.](#) -

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[Libyaonline.com](http://Libyaonline.com)

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The planned invasion of Libya, which is already underway is part of the broader "Battle for Oil". Close to 80 percent of Libya's oil reserves are located in the Sirte Gulf basin of Eastern Libya. (See map below)

Libya is a Prize Economy. "War is good for business". Oil is the trophy of US-NATO led wars.

Wall Street, the Anglo-American oil giants, the US-EU weapons producers would be the unspoken beneficiaries of a US-NATO led military campaign directed against Libya.

Libyan oil is a bonanza for the Anglo-American oil giants. While the market value of crude oil is currently well in excess of 100 dollars a barrel, the cost of Libyan oil is extremely low, as low as \$1.00 a barrel (according to one estimate). As one oil market expert commented somewhat cryptically:

"At \$110 on the world market, the simple math gives Libya a \$109 profit margin." ( [Libya Oil](#) , Libya Oil One Country's \$109 Profit on \$110 Oil, EnergyandCapital.com March 12, 2008)

### Foreign Oil Interests in Libya

Foreign oil companies operating prior to the insurrection in Libya include France's Total, Italy's ENI, The China National Petroleum Corp (CNPC), British Petroleum, the Spanish Oil consortium REPSOL, ExxonMobil, Chevron, Occidental Petroleum, Hess, Conoco Phillips.

Of significance, China plays a central role in the Libyan oil industry. The China National Petroleum Corp (CNPC) had a workforce of some 400 employees. The total Chinese workforce in Libya was of the order of 30,000.

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Eleven percent (11%) of Libyan oil exports are channelled to China. While there are no figures on the size and importance of CNPC's production and exploration activities, there are indications that they are sizeable.

More generally, China's presence in North Africa is considered by Washington to constitute an intrusion. From a geopolitical standpoint, China is an encroachment. The military campaign directed against Libya is intent upon excluding China from North Africa.

Also of importance is the role of Italy. ENI, the Italian oil consortium puts out 244,000 barrels of gas and oil, which represents almost 25 percent of Libya's total exports. ( [Sky News: Foreign oil firms halt Libyan operations](#) , February 23, 2011).

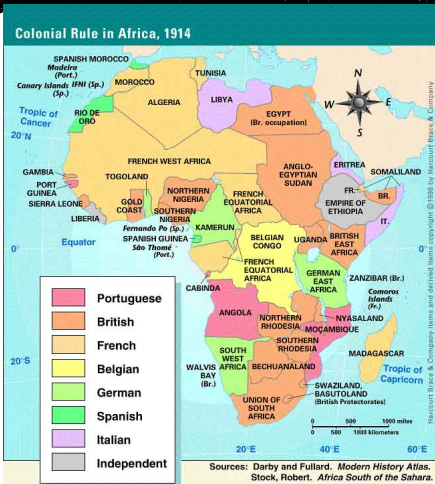
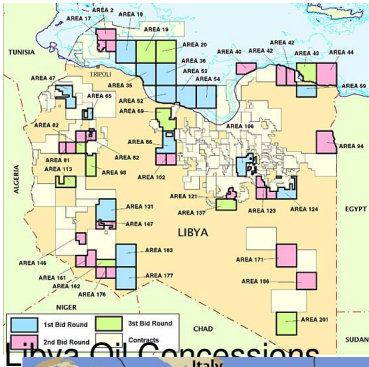
Among US companies in Libya, Chevron and Occidental Petroleum (Oxy) decided barely 6 months ago (October 2010) not to renew their oil and gas exploration licenses in Libya. ( [Why are Chevron and Oxy leaving Libya?: Voice of Russia](#) , October 6, 2010). In contrast, in November 2010, Germany's oil company, R.W. DIA E signed a far-reaching agreement with Libya's National Oil Corporation (NOC) involving exploration and production sharing. [AfricaNews - Libya: German oil firm signs prospecting deal - The AfricaNews,](#)

The financial stakes as well as "the spoils of war" are extremely high. The military operation is intent upon dismantling Libya's financial institutions as well as confiscating billions of dollars of Libyan financial assets deposited in Western banks.

It should be emphasised that Libya's military capabilities, including its air defense system are weak.

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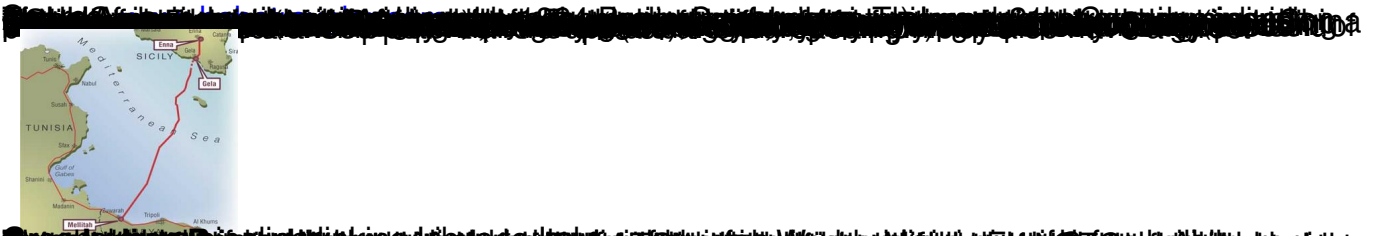
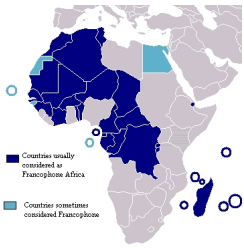
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[Prices. Speculators Applaud Business": The Libya Insurrection has Triggered a Surge in Oil](#)