

# Syria Hands Oil Exploration Contracts to Russian Firms

By [Reuters](#)

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Syria approved contracts for oil exploration with two Russian companies. **Pixabay**

Syria's parliament has approved contracts for oil exploration with two Russian companies in an effort to boost production hit by more than eight years of war and Western sanctions.

State news agency SANA said the deals cover exploration and production in three blocs, including an oilfield in northeast Syria and a gas field north of the capital Damascus.

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It said the contracts, passed in a parliament session on Monday, were signed earlier this year with two Russian firms it identified as Mercury LLC and Velada LLC.

Oil Minister Ali Ghanem said handing contracts to these companies was in line with the government's strategy "towards friendly states that stood by Syria, with Russia and Iran at

the forefront."

Shunned by Western powers, Syrian President Bashar al-Assad has looked to allies Russia and Iran to play a role in rebuilding, after they helped Syria's army reclaim most of the country.

Syria produced around 380,000 barrels of oil per day before the war but production collapsed after fighting hit the oil-rich east. Oil fields have largely been in the hands of Kurdish fighters who seized swathes of north and east Syria from Islamic State with U.S. help.

U.S. President Donald Trump has said that despite a military pullback from northeast Syria, a small number of U.S. forces would remain "where they have the oil."

Around 600 U.S. troops — which Damascus deems "invaders" — remain after the withdrawal and repositioning, U.S. Defense Secretary Mark Esper said this month.

Syrian state media cited Ghanem as saying the oil ministry would seek to sign offshore contracts for oil investment which has been hindered by economic sanctions.

During the war, oil trade continued between Kurdish-held and government territory. Several gas fields also returned to state control after the army defeated Islamic State in part of Deir al-Zor province in the east in 2017.

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