

East Libya Seeks to Grab Oil Contracts Amid Fight With Rivals

Hatem Mohareb

November 5, 2015 — 5:59 PM EET

Updated on November 6, 2015 — 2:01 AM EET

- ▶ Companies must contact NOC by Nov. 11 to review loading deals
- ▶ Libya oil production dropped after Zueitina export port halt

Libya's internationally recognized government in the east of the country asked oil companies to contact its National Oil Corp. to review loading contracts, amid a battle to snatch buyers from the rival administration in the west of the divided country.

Oil companies should contact the marketing department of the NOC administration in the eastern city of Bayda by Nov. 11 to review loading contracts, according to an e-mailed statement from the elected government. The eastern government will take legal action against any company that deals with any authority other than the NOC administration in Bayda, it said.

"Any contracts brokered with any other parties than the bodies authorized by the legal National Oil Corp. are considered legally null and void," according to the statement.

Libya, with Africa's largest oil reserves, pumped about 1.6 million barrels a day of crude before a 2011 rebellion ended Muammar Qaddafi's 42-year rule. Like the country's leadership, the NOC has competing eastern and western administrations seeking to control energy facilities. Political strife and worker protests have curtailed output to about a quarter of what it was when Qaddafi was still in power.

The North African country's oil output dropped below 400,000 barrels a day this week after the eastern government closed the port of Zueitina. The arm of NOC based in the capital Tripoli, which is controlled by the Islamist-backed government, had been in charge at Zueitina. The company declared force majeure and said in a statement that the port was closed for all exports due to a "deteriorated security situation." Force majeure is a legal status protecting a party from liability if it can't fulfill a contract for reasons beyond its control.

Libya is currently the smallest producer in the Organization of Petroleum Exporting Countries.

Before it's here, it's on the Bloomberg Terminal.

.....

• Libya • Oil

[Terms of Service](#)[Trademarks](#)[Privacy Policy](#)

©2016 Bloomberg L.P. All Rights Reserved

[Careers](#)[Made in NYC](#)[Advertise](#)[Ad Choices](#)[Website Feedback](#)[Help](#)