
GENEL ENERGY LOOKING FOR STRONG YEAR IN KURDISH IRAQ

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Operations in the Kurdish north of Iraq can proceed in earnest on the back of consistent payments from the regional government, Genel Energy said.

Companies working in the semiautonomous Kurdish region reported monthly payments for exports from the regional government this week. Genel Energy, which has strong Kurdish holdings and works in coordination with Norwegian oil company DNO, said it received more than \$200 million in cash for oil sales last year.

"These payments in turn allowed for work programs to resume at Taq Taq and Tawke," Chief Executive Murat Ozgul said in a statement. "The Kurdistan Regional Government has confirmed that payments will continue, allowing us to plan with confidence for 2017."

An internal review from Genel of the Taq Taq basin last year put the estimated recoverable proven and probable reserves at 356 million barrels, about half as much as estimated in June 2011. Tawke, however, is the more lucrative of the basins where Genel works in northern Iraq.

The company said its focus was on offsetting natural declines and production for the year should come in at 43,000 barrels of oil equivalent per day at the high end. That's lower, however, than last year's guidance by around 30 percent.

Ozgul, however, focused on the broader economic terms, saying 2016 was a "major step forward" in monetizing oil exports from the Kurdish north of Iraq.

Iraq under the terms of a production arrangement coordinated by the Organization of Petroleum Exporting Countries agreed to cut about 210,000 bpd from its production, though the central government in Baghdad said the semiautonomous Kurdish government wasn't doing its share.

Kaynak/Source: